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WEEKLY NEWS SERIES, No. 263
(General Story)

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INSURANCE FEATURE IN AAA CONTRACTS SHOWN BY DROUGHT

Threat of crop destruction by drought has placed added importance on income protection features of the commodity adjustment programs which farmers of the country are carrying out under the direction of the Agricultural Adjustment Administration. For the first time in the history of American agriculture, crop income insurance is provided on a nation-wide scale.

While designed primarily to permit crop adjustments which would bring production into line with effective demand at a fair price to the producer, the wheat, corn-hog, cotton, and tobacco adjustment programs also guarantee a definite income for those cooperating farmers whose crops have been cut down or even destroyed by drought or other forces beyond their control.

Because they are based on past production averages, the amounts of the rental or benefit payments are not diminished by current crop failure. In cases of serious drought damage this year, benefit payments through the adjustment act to farmers signing contracts will represent a substantial part of their total farm income. These assured payments guarantee that a cooperating farmer will have some income, even though his crop fails entirely.

The commodity adjustment programs have been so planned that they are flexible enough to meet such unusual situations as that created by the drought in many sections. They protect the producer from being crippled, through complete loss of income, in his efforts to renew production when the immediate failure has passed.

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WEEKLY NEWS SERIES, No. 264
(General - Drought)

DROUGHT WILL NOT ENDANGER SUPPLY OF NATION'S FOOD

The drought, serious as it has been throughout many of the leading agricultural States, has not endangered the Nation's food supply, according to specialists of the Agricultural Adjustment Administration and the United States Department of Agriculture who have studied the situation carefully.

If wheat production this year should be as low as 500 million bushels as indicated in recent forecasts, the burdensome surplus would be still further reduced, but the carryover of unused wheat would still be about 135 million bushels next year when the 1935 crop comes in. The present surplus of about 260 million bushels, plus this year's expected crop of about 500 million bushels, would give a supply of about 760 millions bushels, as compared with the estimated annual needs of not more than 625 million bushels.

Forced marketing and the emergency cattle buying operations of the Government in the drought areas are removing large numbers of animals, but this disposal of low grade stock will merely help in the reduction of an estimated surplus of more than six million cows and heifers.

Wheat and cattle are two commodities, vital to the food supply of the nation, which, although they are affected by the drought, continue to exist in quantities in excess of demands. If it were not for the tragedy which it inflicts on its victims, the drought might be considered to have compensating advantages because it reduces existing surpluses.

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WEEKLY NEWS SERIES, NO. 265
(General - Drought)

FARMERS GET SPECIAL AID IN DROUGHT AREAS

Combined forces of Federal and State governments are at grips with the destruction wrought by drought over an area that includes parts or all of more than 20 of the leading agricultural States.

Seven hundred and forty-six counties were included late last week (June 15) in the total official drought area which had been named by the Agricultural Adjustment Administration, on designation by a special committee representing the Bureau of Agricultural Economics and the Cooperative Extension Service. Of this total, 282 were designated as "emergency" and 464 as "secondary" drought counties.

The surplus low-grade cattle removal program of the Adjustment Administration is being carried out in the emergency counties, with first buying operations under way in the most acute sections of the Dakotas, Minnesota, and other northern States. Shortage of livestock feed and water in the emergency areas called for immediate aid in many cases where producers could no longer carry their cattle on the farms.

The emergency cattle removal from drought areas, which fits in with general plans of the Adjustment Administration for reduction in the cattle surplus, will be continued in line with the needs in drought territory.

Animals purchased under the program which can be used for food are being turned over to the Federal Emergency Relief Administration for processing and distribution for relief purposes.

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In all officially designated drought counties, including those in the secondary classification, special measures are being undertaken by the Agricultural Adjustment Administration, the Emergency Relief Administration, the Farm Credit Administration, and other agencies to bring aid to farm families.

Among the many problems of the drought which are being met by measures already in effect or planned are: removal of surplus low-grade cattle; providing emergency feed supplies and seed for emergency forage crops; modification of agricultural adjustment contracts to encourage increased plantings of needed forage crops; furnishing credit facilities to finance foundation herds, in order that farmers may rehabilitate themselves as producers; providing direct relief for farm families, including "subsistence" cattle needed for the support of the families; safeguarding adequate seed supplies for the 1935 crops; and securing freight rate adjustments to facilitate shipments of feed into the drought counties and livestock out to grazing areas.

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WEEKLY NEWS SERIES, No. 266
(Tobacco story)

TOBACCO WAREHOUSE
AND GROWER INCOME
SHOW IMPROVEMENT

Comparisons showing that the incomes of both producers and warehousemen have practically doubled under the adjustment program and marketing agreements are pointed out by J. B. Hutson, Chief of the Tobacco Section of the AAA, as evidence that it is to the advantage of these two groups to work together.

"In 1933, following the efforts of growers, warehousemen, and other agencies to cooperate in the adjustment program, the income of growers increased to $186,000,000 from sales on the markets. Added to this are payments of $28,000,000 made from the revenue collected from processing taxes paid by the manufacturers, making a total of $214,000,000, approximately double the income received by growers for the 1932 crop and greater than the amount received for the 1930 crop," Mr. Hutson said, in an address before the annual convention of Warehousemen at Asheville, North Carolina.

The income of tobacco warehousemen was increased from $5,000,000 in 1932 to $9,000,000 in 1933 which is about equal to their 1930 income. "Most warehousemen," he said, "have fared more nearly as tobacco growers have fared than as have manufacturers". Due largely to competitive conditions, the net income of tobacco manufacturers was reduced to approximately $60,000,000. This income represents a return of slightly less than 10 percent on the investment as compared with a return of approximately 25 percent during the immediately preceding years.

The situation into which the tobacco industry was plunged in the 10-year period ending 1932, was compared by Mr. Hutson with the present status. During this decade, the income of tobacco growers was reduced almost two-thirds and the income of warehousemen was cut in half, while the profits of manufacturers were almost doubled. The number of laborers in manufacturing plants was sharply reduced during this period and there was an average reduction of 15 percent in their incomes.

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WEEKLY NEW SERIES, NO. 267
(Corn-hog story)

BIG CORN-HOG PAYMENT TOTALS START TO FARMS

General distribution of approximately $130,000,000 in first payments among signers of corn-hog adjustment contracts is beginning.

Payments on special contracts, which carry the producer's advance acceptance of any necessary adjustments, had reached a total of about $5,000,000 by mid-June, and payments were starting on the regular contracts which do not carry the early payment rider, it was announced by the Agricultural Adjustment Administration. Most of the contracts are of the latter type.

Rapid progress is reported on adjusting individual contracts to State and county quotas. At mid-June, local corn-hog committeemen in 20 Ohio counties had completed contract adjustments and were authorized to obtain producers' second signature of acceptance.

In Iowa, the reports of allotment committees in 43 counties had been approved. In Indiana, contracts in 15 counties had been cleared by the State board of review and others were ready for approval. Telegrams from other middle-western States indicated that the task of final adjustments was near completion and that the majority of contracts would be ready to be mailed to Washington for payment as soon as the second signatures were obtained.

Reports from the field indicate that almost without exception the participating farmers are signing the second time. Ohio corn-hog committeemen stated that out of the more than 1,700 contracts in Seneca county, only 12 were incompleted.

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The checks on the initial payment of regular contracts were paid to 101 contract signers in Lyon county, Nevada, who were first to submit approved forms. Regular contracts from several counties in West Virginia, Minnesota, South Dakota, Iowa, Alabama, Ohio, Washington and Indiana were next in line.

"The writing of the first batch of checks on regular contracts from Nevada," said Dr. A. G. Black, chief of the Administration's corn-hog section, "and the increasing receipts of additional contracts from other States may be regarded as the beginning of the long-awaited flood of reduction payments to the corn-hog producers of this country, of which the first payments alone will total about 130,000,000.

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WEEKLY NEWS SERIES, No. 268
(General ~~drought crops~~)

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RULINGS OPEN WAY
FOR FORAGE CROPS

Increased planting of forage crops to offset drought losses in many States has been made possible and encouraged by action of the Agricultural Adjustment Administration in modifying wheat, corn-hog, and tobacco adjustment contracts.

Authorization was given by the Administration on May 29 for modifications which permitted in all States unrestricted pasturing and making hay from crops on the contracted or "rented" acreage, and the planting of all forage crops except fodder corn and grain sorghums on these retired acres. The same modifications also made possible planting and harvest throughout the entire country of all forage crops, including fodder corn and grain sorghums for forage purposes, on the general or non-contracted acreage of farms which are under the adjustment contracts. Earliest planting dates after which fodder corn and grain sorghum could be planted under this ruling were removed on June 8, permitting immediate planting of these crops for forage purposes on the non-contracted acres.

"Such crops as soybeans, Sudan grass, millet, forage varieties of sorghums, sunflowers, rape, root crops, and other quick growing crops for pasture and forage purposes are now permitted on the contracted and the non-contracted acreage of all farms under the wheat, corn-hog, and tobacco programs," said J. F. Cox, chief of the replacement crops section of the Adjustment Administration, in commenting on the opportunities for increased forage planting to meet the drought losses. "In addition, fodder corn and grain sorghums for forage purposes may be planted without restriction on the general or non-contracted acres of farms under these contracts.

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"Release of the contracted or 'adjustment acres' to effective emergency hay and forage crops, and the additional release of the non-contracted acres to fodder corn and grain sorghums for forage purposes, as well as other forage crops, places the contracting farmers in an excellent position to offset the deficiency of hay and pasture, if sufficient rains occur during the remainder of the season.

"Many who failed to get successful seedings of alfalfa and clover as a result of the drought will find it to their advantage to re-seed to these crops on the contracted acres, planting fodder corn and either grain or forage sorghums or other emergency forage crops elsewhere on the farm to take care of the immediate hay and pasture deficiency. Summer plantings of alfalfa and clover, made when proper moisture conditions exist in the soil, are reported by forage crops specialists of the United States Department of Agriculture to give excellent results. Sweet clover plantings may be made until about August 1, with expectation of satisfactory results.

"In adjusting agriculture best to meet conditions resulting from the drought and in order to balance production with existing markets, the importance of planting the contracted acres to legumes such as alfalfa and clover and to permanent pastures should not be overlooked. Pasture grasses such as blue grass, red top, timothy, orchard grass, and brome grass should be planted in early fall. Dallis grass and fescue grass are adapted to fall planting in the Southwest."

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WEEKLY NEWS SERIES, No. 269
(Wheat story)

CATTLE BUYING
PROGRAM HELPS
WHEAT FARMERS

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Wheat farmers of the country, especially in the North Central States, have a definite interest in the emergency cattle-buying program which is being carried out by the Agricultural Adjustment Administration in acute drought areas, says _____, State director of extension work.

The emergency program is aiding in orderly reduction of surplus low-grade cattle numbers from farms in the drought regions, and at the same time it aims at retaining the best breeding stock of dairy and beef herds on these farms so that farmers can and will remain in the livestock business. If the effects of drought were permitted to force entire herds out of production, without the orderly planning of the removal program, many farmers might be driven out of cattle and into wheat production.

This possible effect on the wheat problem is one reason why the Adjustment Administration, through its emergency drought service, is making every effort to keep the best cattle on the farms. This will make it possible to maintain herds that have been built up through many years of effort, and will avoid forcing these livestock farmers back into wheat growing.

Such a shift to wheat production would tend to complicate the whole wheat problem, just when material progress has taken place in acreage and surplus reduction, Mr._____ says.

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WEEKLY NEWS SERIES, No. 270
(General Story)

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FARM PURCHASING POWER INCREASED 25 PERCENT

Farm purchasing power on the average throughout the United States has been 25 percent higher during the first nine months in which benefit payments have been distributed through the provisions of the Agricultural Adjustment Act than in the corresponding period of the previous year.

This is the conclusion reached by L. H. Bean, economic adviser to the Agricultural Adjustment Administration, following a study of the prices farmers receive for the products, compared with the cost of commodities farmers buy. Cash income including benefit payments during this nine month period increased 38 percent but this increase was partially offset by an increase in the cost of commodities farmers buy.

Benefit payments on production adjustment contracts contributed nearly one-fifth of the net increase of 25 percent in purchasing power. For the first four months of 1934, the net increase in farm purchasing power was 28 percent over the first four months of 1933.

Mr. Bean's study also shows that the purchasing power of the farmer increased somewhat more than the purchasing power of the country as a whole during the first four months of 1934. During this period, the total national money income, including the distribution of emergency funds, was about 20 percent higher than in the corresponding period of 1933, but the cost of living for the country as a whole increased eight percent, leaving a net increase of 12 percent in the national purchasing power. The net increase in farm purchasing power was 28 percent for the same period.

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WEEKLY NEWS SERIES, No. 271
(Corn-Hog Story)

CORN-HOG SIGNERS GET RAPID SERVICE IN ISSUING CHECKS

Corn-hog contract signers are assured of accurate and rapid handling of their contracts for the issuing of benefit payment checks as they reach Washington after having been cleared locally and adjusted to State and county quotas.

So efficient is the contract records section of the Agricultural Adjustment Administration that approximately 40,000 contracts can be handled per day, seven days per week. The only delay that may arise is caused by failure to fill in the contracts properly before they are sent to Washington. Improper signatures and mistakes in calculating hog production in Table 5 of the contract account for most of the errors. According to the contract records section, if these two most common sources of error could be eliminated, 98 percent of the contracts would be approved without delay.

Machines used in the contract records section which appear to have almost human intelligence, sorting cards alphabetically at the rate of 400 per minute and working multiplication tables in split seconds, make possible the handling of contracts with amazing rapidity. After all calculations are completed and checked, the cards go to the check writing machine where they are picked up by deft, mechanical fingers and checks are issued as fast as they can be counted.

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WEEKLY NEWS SERIES, No. 272
(General Story)

ADJUSTMENT PROGRAM FITS ALL CONDITIONS

Automatically adjustable to whatever conditions may arise, the Agricultural Adjustment program fits the needs of the farmer, regardless of market or yield conditions.

This is the assertion of Chester C. Davis, Administrator, who points out that in years of high yields the adjustment program is instrumental in preventing the production of price depressing surpluses, while in years of low yields, it has little effect on total production.

"The virtue of the adjustment program," says Mr. Davis, "lies in the fact that adjustment program reductions are large when yields are high and small when yields are low. When nature makes a heavy production cut, the adjustment program compensates by making a light production cut."

Conditions this year, with the drought seriously affecting wheat yields, illustrate the point. Adjustment contracts have taken about 10 percent of the wheat land out of production. If growing conditions had been normal, the adjustment program would have made about an 85 million bushel reduction from the normal yield of about 850 million bushels.

Under the unusual conditions this year where the total production of wheat is expected to be about 500 million bushels, no more than 550 million bushels could have been expected without the reduction program.

Benefit payments, of course, remain constant regardless of market or weather conditions. They protect the income of the farmer in years of abnormally high yields with correspondingly lower prices.

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WEEKLY NEWS SERIES, NO. 273
(General Story)

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Note to Editors: The attached report for your State shows the amount of rental and benefit payments by county and commodity together with State totals up to June 1.

REPORT SHOWS TOTAL
PAYMENTS TO FARMERS

_____ county farmers who have signed _____
(name of county) (kinds of contracts)
crop adjustment contracts have received a total of $_____ in benefit
(amount of payments)
payments up to the first of June, according to a report submitted to Chester C. Davis by John B. Payne, comptroller of the Agricultural Adjustment Administration. The total for the State of _____, according to this report is
(name of State)
$_____.
(total payments)

Total rental and benefit payments for the entire United States include $120,656,528.38 to cotton farmers, $68,373,426.17 to wheat farmers, $9,523,210.69 to tobacco farmers and $2,055,233.55 to corn hog farmers up to June 1.

Mr. Payne also reported the expenditure of $57,785,228.50 for the removal of surplus hogs, wheat, butter and cheese.

8681 (6-28-34)

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WEEKLY NEWS SERVICE, No. 274
(Tobacco Story)

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KERR-SMITH ACT
SIGNED; PROTECTS
TOBACCO GROWERS

The Kerr-Smith tobacco Act, designed to aid in controlling tobacco production and to protect growers cooperating in the voluntary adjustment plan became law June 28 when signed by President Roosevelt. Under it, the efforts of 94 percent of the tobacco growers to secure higher prices will not be jeopardized by the small minority who rejected the voluntary plan.

The Kerr-Smith Act, devised at the request of a large majority of growers, provides for a tax of 33 1/3 percent of the sales value unless the Secretary of Agriculture designates a lower rate, which may not be less than 25 percent on all tobacco produced this season by growers who have not signed contracts under the voluntary plan. Maryland tobacco and Virginia sun-cured and cigar leaf tobacco are exempt from the provisions of the act for 1934.

J. B. Hutson, chief of the Agricultural Adjustment Administration's tobacco section, explains that with the signing of the act, the voluntary production adjustment program was reopened for 30 days, giving eligible growers who do not have contracts another opportunity to sign contracts and escape payment of the tax.

Special allotments to non-contract signers, totaling not more than six percent of the total production allotted to a county under voluntary contracts, will be made. In order to insure protection for growers who produce small amounts, two-thirds of these special allotments to non-signers will be distributed among those growers whose allotments would be 1,500 pounds or less.

(More)

8689

Included in the group of non-signers, producing in line with the spirit of the adjustment program, who are eligible to receive special tax-exempt allotments, are those who lost their farms during the depression because of indebtedness and have recently been able to reclaim them; tenant farmers who have been displaced on farms covered by contracts and who have been unable to obtain places on farms covered by contracts; and growers of long experience who have recently acquired farms with no recent tobacco history.

Thus, there will be three classes of producers growing tobacco this year:

First, growers who have signed production contracts or will sign them under the 30-day extension, and thus qualify for benefit payments.

Second, growers who could not obtain an equitable base under the contract. Those of this group who can satisfy their local committees that they are conducting their farming operations in line with the spirit of the tobacco production adjustment program will be given allotments exempt from the tax but will not receive rental and benefit payments.

Third, growers who do not sign contracts and are not conducting their farming operations in line with the spirit of the tobacco program. Such growers will not receive rental or benefit payments and will be required to pay the tax.

The adjusted production allotment for all types of tobacco affected by the Kerr-Smith Act for 1934 will be announced before the opening of the marketing season for each type and will be uniform for all growers of a given type. Growers under contract will not be allowed to sell more than their allotment. Violations of this provision will result in withholding of benefit payments and refusal of contract for the next season.

County agents now have contract blanks for those who wish to take advantage of the 30-day time extension. These contracts are identical with those previously offered for each type of tobacco. Forms on which non-contract signers may apply for allotments will be available in county agents' offices about July 9.

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WEEKLY NEWS SERIES, No. 275
(Corn-hog Story)

HOG PRICES ADVANCE 30 PERCENT IN JUNE

Hog prices at the seven principal markets in the middlewest increased more than 30 percent during the month of June, it is reported by the Agricultural Adjustment Administration. This is one of the largest percentage increases in price on record for a similar length of time.

The average price paid by packers for hogs at the seven markets--Chicago, St. Louis, Kansas City, Omaha, Sioux City, St. Joseph and St. Paul--averaged $4.10 per hundredweight during the two weeks' period ending June 23 or $1 per hundredweight higher than the average price paid by packers at these markets during the two weeks period ending June 9.

As a result of the sharp advance, the price of hogs at Chicago during the week ending June 23 averaged $4.71 per hundredweight or approximately $1.38 higher than for the week ending June 9 and 33 cents per hundredweight higher than for the corresponding week a year earlier.

Administration officials point out that when the price equivalent of the processing tax of $2.25 per hundredweight being collected for benefit payments to farmers, is added to the current open market price, the total actual cost to packers at Chicago during the week ending June 23, amounted to $6.96 per hundredweight. This is $2.58 per hundredweight or 44 percent higher than the average cost of hogs to packers at Chicago a year ago when the open market price was the sole source of income to hog producers, and it is the highest average amount paid by packers for hogs at Chicago in any week or any month since April, 1931, when the price average for that month was $7.26 per hundredweight.

(MORE)

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The recent increasing strength in the hog market is partly a reflection of the improvement of approximately 20 percent in consumers' incomes over a year ago, but another major factor for the current improvement has been the marked adjustment in market supplies. Inspected slaughter of hogs at the seven principal points during the two weeks ending June 23 declined about 38 percent from the slaughter during the preceding two weeks.

Rains which relieved drought conditions in many parts of the middlewest halted the recent heavy marketing of light hogs. The current adjustment also is a reflection of the Administration's efforts to reduce supplies the forepart of this season through relief purchases and the 1933 emergency marketing program. The price-raising effects of the emergency adjustment measures were delayed temporarily by unusually heavy marketings of hogs during May and early June, on account of relatively high corn prices and prospects for a short feed crop because of drought.

Available evidence indicates that hog marketings through the remainder of the summer will be relatively light, as compared with marketings during this period last year unless extreme drought continues to prevail and causes abnormal market liquidation.

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WEEKLY NEWS SERIES, No. 276
(Corn-hog Story)

GOAL IS IN SIGHT ON HOG REDUCTION PLANNED FOR 1934

Assurance that the goal set for reduction of the Nation's hog production in the 1934 corn-hog program will be accomplished is seen in the Government's pig crop report of June 1, according to Dr. A. G. Black, chief of the Agricultural Adjustment Administration's corn-hog section.

Under this year's contract, producers agree to reduce the number of hogs produced not less than 25 percent below the average for the past two years. The June 1 report, prepared by the Bureau of Agricultural Economics from returns from 149,500 farms, indicates that the number of spring pigs saved this year was 27 percent below the average of 1932 and 1933. The number of sows to farrow from June 1 to December 1 is estimated to be 38 percent smaller.

Dr. Black points out that while the indicated reduction in the 1934 pig crop is partly the result of the drought, the relatively high price of corn and the relatively low price of hogs last fall and winter when hog marketings were heavy, the reduction called for under the contract undoubtedly is the major factor in the current adjustment which is bringing the production of hogs in the United States for next year's marketings into line with domestic requirements and has eliminated the heavy surplus caused by the shutting off of export markets.

The reduction in pig numbers made under the corn-hog program is the sharpest that has occurred during the century, and is more than twice as heavy as the 14 percent reduction in 1925 when the first post-war farm depression struck.

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WEEKLY NEWS SERIES, No. 277
(General Story)

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CONSUMERS SHARE PROCESSING TAX PROPORTIONATELY

The fact that processing taxes on farm products included in the Agricultural Adjustment program are collected at the point of processing or manufacturing does not mean that the tax falls disproportionately on states where processing plants are concentrated.

Processing tax collections are heaviest in the large processing centers but the tax is spread out as a factor in the price of the product and is shared by consumers generally regardless of the location of the processing or manufacturing plant where the tax is collected. The tax has the same effect upon price to the consumer as would a rise in the price of raw material to the extent of the tax.

About 19 percent of the total wheat processing tax has been collected in Minnesota but this does not mean that Minnesota consumers pay more than their share of the processing tax. It simply means that Minneapolis is an important milling center and that a large share of the tax, eventually shared by bread buyers throughout the country, is collected at that point.

Similarly, Chicago is a processing center for hogs. Up to June 1 of this year, nearly 22 million dollars in processing taxes were collected in Illinois out of a total of 47 million dollars in hog taxes collected. Because North Carolina is a processing center for textiles and tobacco, more than 19 million of the total processing tax of 128 million dollars on cotton, and nearly four million of a total of 14 million dollars collected in tobacco processing taxes were collected in that state.

(MORE)

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Nearly one third of the income from production of wheat, corn, hogs, cotton and tobacco allotted under adjustment programs now being received, on the average, by the 3,000,000 contract signers who are cooperating in Agricultural Adjustment Administration programs, is derived from processing taxes.

The fact that processing taxes are shared proportionately by consumers over the entire country makes the burden very light and the tax, while it adds but a small fraction to the retail price, brings a large percentage increase to the farmer.

The increase in the price of a loaf of bread, that is attributable to the processing tax is only half a cent but the price, for wheat, including benefit payments, that is received by wheat farmers who signed contracts, has tripled. The cotton tax raises the price of a shirt only a nickel but, as a result of the tax, the price received by the cooperating cotton farmer has more than doubled.

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WEEKLY NEWS SERIES, No. 278
(Cotton Story)

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REPORT SHOWS STATE COTTON PAYMENT TOTAL

Rental payments approved for disbursement to _____ farmers
(name of State)
cooperating in the Agricultural Adjustment Administration's 1934 cotton production adjustment program totaled $_____ on July 2, according to a report compiled this week.
(total State payments)

The total for all cotton States was $28,498,207.45. These payments are a part of the estimated $100,000,000 that cooperating farmers will receive as rental payments for approximately 15,000,000 acres taken out of cotton production this season.

The work of making the first $50,000,000 payment under the two installment plan is now more than half completed. The second $50,000,000 will be paid out between Aug. 1 and Sept. 30. In addition to rental payments, cotton growers will also receive a parity payment of between $25,000,000 and $30,000,000 next December.

Payments approved for disbursement through July 2 by States are:

Alabama	$ 3,136,693.85
Arizona	132,022.86
Arkansas	3,101,587.79
California	340,897.82
Florida	67,214.64
Georgia	2,987,353.46
Kentucky	19,331.20
Louisiana	1,781,886.44
Mississippi	3,452,714.68
Missouri	173,613.32
New Mexico	209,574.99
North Carolina	989,090.10
Oklahoma	511,525.12
South Carolina	2,308,008.92
Tennessee	570,834.04
Texas	8,658,531.16
Virginia	57,327.06
Total	$28,498,207.45

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8711 (7-6-34)

United States Department of Agriculture, Office of Information, Press Service
Washington, D. C.

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WEEKLY NEWS SERIES, No. 279
(General Story)

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FORAGE CROP PLANTING RESTRICTIONS REMOVED

Further modification of wheat, corn-hog, and tobacco adjustment contracts to permit planting of fodder corn and grain sorghums for forage purposes on the rented or contracted acres now opens the way for unlimited production of all forage crops on all land of farms under contract.

The new modifications will serve as additional encouragement for the planting of forage crops to offset losses resulting from drought and are in line with the policy of the Agricultural Adjustment Administration to bring about a transition from intensive cultivation of surplus grains to increased acreage of grass, pasture, and soil-building and erosion-preventing forage crops.

Previous modifications permitted planting and use of all forage crops on the general or non-contracted acres of farms under contract, and the planting, pasturing and harvesting of all forage crops except corn and grain sorghum on rented land. The last ruling completes the removal of all restrictions on both contracted and non-contracted acres for the production of forage or pasture crops.

Corn and grain sorghum planted under the modification covered by the new ruling cannot be harvested as or used for grain. Inability of farmers in many areas to obtain grass seed, which previously had been authorized for planting on rented acres, made it advisable to take the restrictions off corn and grain sorghum for use as forage crops. A previous modification permitted harvesting of seed for pasture and meadow crops from contracted acres to provide for future planting needs.

In announcing the new ruling, Administrator Davis emphasized the fact that it applied only to forage crops needed to meet a livestock feed shortage and did not change the original purpose of the adjustment programs which seek to bring basic commodity production into line with effective demand.

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BANG'S DISEASE CONTROL PROVIDED BY FEDERAL FUNDS

Bang's disease control work on a nation-wide scale will be instituted for the first time as a part of the emergency cattle disease control program provided for with 50 million dollars in Federal funds.

An initial allotment of three million dollars for this work has been made by the Agricultural Adjustment Administration with the approval of Secretary of Agriculture, Henry A. Wallace, following recent conferences in Washington among State officials, representatives of the Adjustment Administration, and the Bureau of Animal Industry.

The necessary arrangements have been started with the States where officials have expressed a desire to start the test campaign at once. The government proposes to pay maximum indemnities amounting to $20 for grade animals and $50 for purebreds. The owner of the reacting cattle will receive the Federal indemnity plus the salvage value of the animals when slaughtered, providing the total of both does not exceed the appraised value.

Several important points are stressed by the Bureau of Animal Industry, which will conduct the field work and set up the official test regulations.

The Bang's disease control program will be purely voluntary both in respect to States and individual cattle owners wishing to cooperate. State and Federal control officials will have charge of the testing and certification for payment of Federal indemnities. Individual cattle owners must agree to dispose of all reacting animals and disinfect the premises as directed. Disinfecting is imperative because the removal of diseased animals is only the first step in eliminating the malady. Retests and rigid sanitation are vital to the success of the program.

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8737 (7-12-34)

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WEEKLY NEWS SERIES, No. 281
(Corn-hog Story)

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CORN-HOG CHECK
PEAK LOAD NEAR

With the work of checking and adjusting corn-hog contracts completed by nearly half of all the county corn-hog allotment committees in the United States, the Agricultural Adjustment Administration expects distribution of benefit payments checks under the 1934 corn-hog reduction program to reach the peak load soon.

By the end of the first week in July, approximately one-third of the all corn-hog allotment committees had received or were ready for final signatures of cooperating producers on all contracts prepared under their jurisdiction. After allotment committees have been authorized to prepare contracts for final signatures, only routine work remains before the contracts can be mailed to Washington, D. C. for acceptance and distribution of benefit payments.

Corn-hog payment checks issued up to June 9 totaled approximately $7,700,000. Total payments by States on the same date were approximately as follows: Alabama, $13,350; Arkansas, $677; Indiana, $68,239; Iowa, $5,212,315; Maryland, $2,636; Michigan, $680; Minnesota, $1,039,596; Missouri, $975,179; Nebraska, $23,964; Nevada, $16,480; Ohio, $28,627; South Dakota, $99,262; Virginia, $2,230; Washington, $85,079; West Virginia, $8,557; and Wisconsin, $125,198.

"The issuance of these first checks necessarily was delayed on account of the considerable amount of checking and adjustment that had to be done in this first year," Dr. A. G. Black, chief of the Administration's corn-hog section pointed out, "but now that we have definitely established production bases which check closely with State and Federal estimates, we should be able to handle the follow-up work on compliance and the issuance of later corn-hog payments promptly and smoothly."

(MORE)

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The aggregate of the first installment of reduction payments now being made will total approximately $130,000,000. A second check, representing the second half of the corn payment and one-fifth of the hog payment, is scheduled to be made on or about November 15. A third check, representing the final two-fifths of the hog payment is scheduled to be made on or about February 1, 1935.

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WEEKLY NEWS SERIES, No. 282
(Tobacco Story)

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TOBACCO GROWERS
KEEPING PROMISE
TO REDUCE CROP

Tobacco growers are fulfilling their promise to reduce production in 1934 in return for better prices, it is indicated by the crop report issued recently by the Federal Bureau of Agricultural economics which shows a probable reduction of nearly 346 million pounds below last year's crop.

Estimated tobacco production for this year is 1,039,517,000 pounds compared to last year's crop of 1,385,107,000 pounds. With the exception of one year, the number of acres planted to tobacco this year is the smallest in 20 years.

In addition to reductions in this year's crop, substantial reductions are being made in the existing excessive surplus stocks which tend to depress prices. Approximately 200 million pounds of the 950 million pound surplus stocks now on hand will be removed this year. This year's estimated crop is as much below world consumption of United States tobacco as the 1933 crop was above consumption. More than 750 million pounds of the present surplus accumulated during the depression years at low prices to farmers.

All types of tobacco have shared in the estimated reduction this year but to different degrees. Flue-cured tobacco shows a 21 percent reduction and a 527 million pound crop. A favorable stock situation places this type in a highly favorable position for the 1934 marketing season.

A reduction of 30 percent in acreage is indicated for Burley. The estimate places this year's crop at 280 million pounds or slightly more than 100 million pounds under last year's harvest. Excessive stocks of Burley with total supplies approximately one billion pounds are considerably over normal needs. The fact

(MORE)

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that Burley growers have demonstrated they will reduce acreage should react favorably on the market in spite of large supplies.

Fire-cured tobacco has been reduced 18 percent according to the last estimate. This was accomplished in the face of an increase in the average price for the 1933 crop up to 8.1 cents per pound from 5.5 cents for the two previous seasons. The estimated 1934 crop is 111 million pounds compared to 133 million pounds harvested last year.

The probable dark air-cured crop is around 30 million pounds this year, compared to 33 million last year shows a smaller reduction than for other types but the price paid for the 1933 crop, following the inaugurating of the tobacco adjustment program, was nearly twice that paid on the average for the two previous crops.

In direct contrast to the normal reaction to increase production in the face of rising prices, tobacco acreage this year was reduced 23 percent following the increase of nearly 75 million dollars to farmers for the 1933 crop above their gross receipts for the 1932 crop, plus 28 million in benefit payments to be paid during the current marketing year under the tobacco production control program of the Agricultural Adjustment Administration.

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Washington, D. C.

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WEEKLY NEWS SERIES, No. 283
(Drought story)

NEARLY MILLION CATTLE BOUGHT IN DROUGHT AREA

Nearly a million cattle have been purchased by the Federal drought relief service from farmers in the drought areas of 12 western States, to be slaughtered and processed for distribution to families on relief rolls throughout the Nation.

Up to July 12, 831,150 cattle had been purchased from 69,733 farmers in Minnesota, North Dakota, South Dakota, Wisconsin, Arizona, Texas, Oklahoma, New Mexico, Montana, Nevada, Colorado and Utah. On the farms from which purchases were made, the total number of cattle was 2,334,731.

Car loadings up to July 12 totaled 12,893. This figure represents the number of cars of cattle shipped or ready to ship under the drought relief project. These cattle are turned over to the Federal Surplus Relief Corporation and shipped to packing plants to be processed and prepared for distribution to families on relief rolls. None of the meat from these cattle purchases will reach commercial channels.

How many cattle may eventually be bought and how long buying will continue cannot now be determined, according to Dr. E. W. Sheets, director of the drought relief service. "It depends upon conditions as they develop, including inclination of the individual farmer to sell." We are planning relief to those hard-pressed in the drought areas and expect to continue buying and processing as long as the situation warrants."

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WEEKLY NEWS SERIES, No. 285
(Cotton Story)

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CROP REPORT SHOWS
EFFECTIVENESS OF
COTTON ADJUSTMENT

Effectiveness of the cotton adjustment program is shown in the monthly crop report of the Federal Bureau of Agricultural Economics which indicates that all but about four million acres of the 28,024,000 acres under cultivation in cotton are on farms covered by adjustment contracts. The total acreage of cotton being grown under contract this year is 24,000,000.

Cully A. Cobb, Chief of the Agricultural Adjustment Administration's cotton section, points to the acreage report as eloquent testimony to the fine spirit of cooperation shown by cotton farmers and to the effectiveness of the control program. "The production adjustment program of the Adjustment Administration, together with the restrictive influence of the Bankhead Act on those planters who did not sign contracts, has brought about a reduction in acreage in line with that long sought by those who have the best welfare of cotton planters at heart," he says.

Contracts renting 14,500,000 acres of cotton land to the Secretary of Agriculture under the adjustment program, have already been approved. Other contracts in scattered counties are expected to bring the total of cotton land taken out of production up to 15 million acres. If the average abandonment of cotton continues this year, the actual crop area will be further reduced by about 500,000 acres. Cotton farmers have planted about 62 percent of their base acreage of nearly 40 million acres.

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WEEKLY NEWS SERIES, No. 286
(Wheat Story)

START 30 MILLION
WHEAT CONTRACT
SECOND PAYMENT

_____ farmers who are filing certificates of compliance on their
(name of State)
wheat adjustment contracts will receive_____ as the second
(amount of second payment)
payment, it is estimated by the Agricultural Adjustment Administration.

A total of_____ on _____ contracts
(amount of payment) (number of contracts approved)
that have been approved in_____ has been paid as the first installment on
(name of State)
the 1933 crop and mailing of checks on the second payment will proceed rapidly.

It is estimated that_____ wheat adjustment contract signers will receive
(name of State
a total of _____.
(total payments)

The second installment payment is at the rate of nine cents per bushel. From this each producer's pro rata share of the expenses incurred by the local production control association is deductible. Completion of the disbursement of the more than $30,000,000 for second installment payments will raise the total wheat benefit payments for the entire country to approximately $98,000,000, as $67,073,788 had already been placed in growers' hands by July 1.

The wheat program for the 1934-35 crop year is planned upon the same basis as the one just completed. The benefit payments have been announced as 29 cents per allotted bushel, the processing tax for the present remains the same, and the amount of the reduction will not be more than 15 percent of the base. "Because of the splendid work of local organization by farmers for the program now being completed," George E. Farrell, Chief of the Adjustment Administration's wheat section, predicted that, "the wheat program will work more smoothly this year."

Note to Editors: The attached sheet gives information on number of contracts approved, amount of first payment, estimated second payment, and estimated total payments for your State.

8774 (7-19-34)

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WEEKLY NEWS SERIES, No. 287
(Cotton Story)

GROWERS APPLYING FOR BANKHEAD ACT COTTON ALLOTMENTS

Community and county committees throughout the Cotton Belt are now taking care of applications from growers for allotments of tax-exempt cotton and tax-exemption certificates provided for under the Bankhead cotton control act which limits this year's production of tax-exempt cotton to 10 million bales. County agents are handling the applications in a few counties where production is small.

Application forms, furnished by the Agricultural Adjustment Administration, must be signed by an owner, a cash tenant, or a tenant who pays as rent a fixed quantity of products or, the application may be signed jointly by tenant and owner. Every precaution has been taken to make certain that share croppers and share tenants receive the tax-exemption certificates to which they are entitled under the law.

The quantity of tax-exempt cotton allotted to each county is definitely fixed and Cully A. Cobb, chief of the Adjustment Administration's cotton section, likens these county allotments to a common fund in which all producers of the county share according to their just claims which are based on their acreage and production during a representative base period.

The county and community committees will be responsible for determining the bases for equitable proration of the county allotment among the various operators of cotton farms in the county. The county committee, with the help of the community committee, will correct and adjust figures in applications when necessary. When allotments have been determined, the State allotment board will issue tax-exemption certificates for the producers.

8775 (7-19-34)

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WEEKLY NEWS SERIES, NO. 288
(Tobacco Story)

TOBACCO PRICE OUTLOOK BETTER FOR FLUE-CURED

With the opening of the first flue-cured tobacco markets rapidly approaching, J. B. Hutson, chief of the Agricultural Adjustment Administration's tobacco section, describes a far more attractive price and supply outlook than that which faced growers of this type a year ago.

"A crop of approximately 527 million pounds, nearly 215 million pounds less than last year's crop, can be predicted," he says, "because of the 21 percent acreage reduction resulting from the 95 percent sign-up on the tobacco adjustment program. Stocks on hand will be about a million pounds less than when the markets opened last year. If there is anything in supply and demand relationships, prospects for flue-cured tobacco prices should be considerably brighter when the market opens this year."

Following is the schedule for the opening of the flue-cured markets: Georgia and Florida Belt, August 1; South Carolina and Border Belt, August 9; east Carolina Belt, August 23 on a restricted basis. Markets at Wilson, Greenville, Rocky Mount and Kinston will open with two sets of buyers and all others will open with one set of buyers.

The Middle Belt markets will open September 11 on a restricted basis and all will operate with one set of buyers. The Old Belt markets will open September 25. The Virginia Dark Belt markets will open November 7. A schedule of opening dates for the Burley and dark-fired and unfired tobacco markets in Kentucky and Tennessee will be considered later.

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8776 (7-19-34)

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WEEKLY NEWS SERIES, NO. 289
(Cotton Story)

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COTTON CONTRACT
PAYMENTS TOTAL
OVER 30 MILLION

_____ county cotton adjustment contract ~~signers had received~~
(name of county)
_____ of the first rental payment up to July 11, it is announced by
(amount of payment)
the Agricultural Adjustment Administration. Payments for the State of_____
(name of State)
now total_____.
(amount)

More than 30 million of the first 50 million dollars has been disbursed to 811,660 cotton growers who signed adjustment contracts. In a number of States the first payment is practically completed. Nearly all of the rental contracts except those from Oklahoma, are now in Washington.

As soon as the first payment is completed, disbursement of the second 50 million dollar rental installment will start. In addition to the 100 million dollars in rental payments, cotton contract signers will receive next December a parity payment of from 25 to 30 million dollars.

Payment of the second rental installment will start after a check on acreage has been taken to determine that growers are complying with the terms of their contracts.

Note to Editors: The attached information gives the number of checks and the amount of payments for each county in your State, together with the State totals.

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WEEKLY NEWS SERIES, NO. 290
(Drought Story)

FOUR MILLION PAID CATTLE PRODUCERS IN DROUGHT STATES

More than four million dollars have been paid to cattle producers in 14 western States since the Emergency Drought Relief Service of the Agricultural Adjustment Administration started cattle buying operations early in June.

This amount represents both purchase and benefit payments for cattle that had been purchased up to July 18. Purchase payments amounted to $2,809,440 and benefits payments totaled $1,535,545.

Cattle from more than 81,000 farms and ranches have been voluntarily sold under the drought relief plan. The total number of cattle owned on these farms and ranches was 2,965,861 and emergency buying has reduced this number by about one-third. The January 1 estimate of total cattle population in the 14 States where cattle are being purchased was 30,496,000 or nearly half of the total cattle population of the country which is estimated at more than 67,000,000.

The Drought Relief Service buying operations are enabling farmers who wish to do so to cut their herds to a point where they have sufficient feed to take care of them and farmers are receiving cash for their cattle in time of need. While this tremendous buying program is in progress, the regular commercial channels of trade are not being disturbed. All cattle purchased by the Drought Relief Service are being turned over to the Federal Surplus Relief Corporation to be slaughtered, processed and distributed to those on relief rolls throughout the country.

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WEEKLY NEWS SERIES, NO. 291
(Corn-Hog Story)

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TIME EXTENSION FOR CORN LOAN NOTES GRANTED

Extension of the maturity date on outstanding Government corn loan notes from August 1 to September 1 is announced by the Agricultural Adjustment Administration.

The extension permits continuation of the orderly discharge of loan obligations by farmers now in position to make settlement, and gives others who will need the corn under seal for feeding purposes, more time to arrange for repaying these loans.

Under the terms of this extension, settlement will not be requested of borrowers before September 1, except on loans secured by corn in poor condition and likely to deteriorate or on corn in storage in inferior cribs.

In the meantime, however, borrowers may make settlement according to one of several optional plans:

Under one plan, borrowers may sell the stored corn at their own option at any time, in accordance with the regulations announced May 31 by Commodity Credit Corporation. In such case, the borrower first informs the Reconstruction Finance Corporation loan agency in his district of his intentions, either directly or through his local bank. He furnishes the number of his loan certificate, the date and amount of the loan, the name and address of the purchaser of the corn, the selling price, the number of bushels sold, and the name of the official State sealer or inspector who sealed the crib. Commodity Credit Corporation then authorizes the State sealer to open the crib and permit the borrower to deliver the corn. Charges for the sealer's service are borne by the borrower.

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8779 (7-19-34)

In discharging his loan obligation by sale of the corn collateral, the borrower receives for himself any over-plus remaining after the loan principal, with interest to the date of actual sale, insurance charges, and other incidental expenses such as shelling costs have been met. As the corn was stored on a liberal volume basis, most cribs under seal contain more corn than is necessary to meet the loan obligation at the current market price, and the borrower need sell only that amount which will fully discharge his loan. Borrowers are not permitted to sell from under seal only enough corn to meet part of the loan obligation.

Under another plan that is in accordance with the ruling announced on May 31, however, borrowers may make partial settlement under supervision of an official State sealer, if the corn that is removed is to be used solely for their own feeding purposes. In this case, the borrower remits to the loan agency of the Reconstruction Finance Corporation an amount equivalent to 47 cents per bushel to cover the estimated total of principal, interest, and insurance, for the number of bushels he desires to release. The official sealer or inspector then is authorized to break the seal upon the crib and permit the borrower to remove, under the sealer's or inspector's supervision, all corn in the crib in excess of an amount equivalent to the unpaid portion of the note, at 45 cents per bushel, figured on the basis of $2\frac{1}{4}$ cubic feet per bushel, using estimated inside crib measurements. The crib then is resealed by the official sealer or inspector.

All authorizations of partial releases of corn collateral covered by farm warehouse certificates are granted by the Commodity Credit Corporation. Prior to the partial release ruling, releases could be obtained only when the total amount due on corn collateral covered by one farm warehouse certificate, had been paid.

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The original plan for settlement of the loan note, that is, removal of the collateral from under seal by the full cash repayment of the note principal, plus interest and incidental charges also is still available to borrowers. As the borrower makes payment of the full amount due before securing release of the corn under this plan, he may open the crib without supervision of a sealer as soon as he receives his cancelled note and warehouse certificate.

The Government corn loan program was inaugurated by the Agricultural Adjustment Administration last November to provide immediate stimulus to farm purchasing power and to supplement the corn-hog adjustment program for 1934. Approximately $121,300,000 was loaned on about 270,000,000 bushels of corn in Iowa, Illinois, Nebraska, Minnesota, South Dakota, Missouri, Indiana, Kansas, Ohio, and Colorado. At mid-July approximately $6,000,000 had been repaid. The rate of retirement of the loan notes increased substantially when corn prices over most of the Middlewest began to average several cents higher than the original loan rate of 45 cents per bushel.

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WEEKLY NEWS SERIES, NO. 292
(General Story)

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EFFECTIVE USE OF CONTRACTED ACRES SHOWN BY SURVEY

Effective use of approximately 40 million acres retired from production of surplus crops under the agricultural adjustment programs is indicated by a survey being made by the replacement crops section of the Agricultural Adjustment Administration.

A major shift from excess acreage of surplus crops back to balanced conditions which existed before price depressing surpluses began to pile up is being accomplished by farmers throughout the country. They are using the contracted land to increase acreage of soil improving and erosion preventing crops, and crops for home use. In areas affected by the drought, much of the retired acreage has been used for the production of emergency forage crops to offset a livestock feed shortage.

Commenting on the shift to a less intensive type of farming brought about by farmers cooperating in the adjustment programs, J. F. Cox, chief of the replacement crops section, says, "Soil fertility, maintenance, and improvement are being advanced; erosion losses are being reduced; labor costs are more evenly distributed and reduced by proper balance; and production costs are lessened."

The survey shows that in the South the majority of acres retired from cotton production have been planted to home food and feed crops, while soil improving and erosion preventing crops are reported on nearly all the rest of the rented cotton land. In the Corn Belt States, most of the rented land is occupied by new and old pasture and meadow crops, and practically all of the rest in many States is being used for the production of emergency forage crops. A small percentage is being fallowed or used for weed control.

Studies by representatives of the replacement crops section included both field observation and the opinions of State agronomists and officials who have directed the adjustment programs.

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WEEKLY NEWS SERIES, NO. 293
(Wheat Story)

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ACCURATE COMPLIANCE
SPEEDS WHEAT PAYMENTS

With the writing of checks to cover the second installment of more than $30,000,000, in adjustment payments to wheat producers on their 1933 crop already under way, Agricultural Adjustment Administration officials point out that accurate completion of the compliance certificates by county wheat committeeswill speed the payments.

The writing of the checks was begun during the third week of July when 58 producers in Ralls county, Missouri, were sent payments totaling $1,258. Checks will be written in the order in which the certificates are received in Washington. County committees have been asked to hold compliance certificates until inspection of all farms in the county is complete and to check carefully to see that all of the necessary forms, properly filled out, accompany the certificates sent to Washington. After inspection has been completed, the compliance certificates may be sent to Washington when 85 percent of them have been approved by the committee.

George E. Farrell, chief of the wheat section, points out that the handling of all, or at least 85 percent, of the certificates from a county as a unit will speed up the payments as a whole for the entire program and will clear the way for early distribution of the first installment of the 1934 adjustment payments. He also emphasizes the need for clearing up all questionsof compliance before the certificates leave the hands of the county committees because any certificates found deficient must be returned to the county committee for proper execution before payment can be made.

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WEEKLY NEWS SERIES, NO. 294
(Tobacco Story)

BUYERS REMAIN
UNTIL TOBACCO
CROP IS SOLD

There will be no occasion this year for growers in any section to harvest green tobacco, according to J. B. Hutson, chief of the Agricultural Adjustment Administration's tobacco section, who makes the reassuring announcement that some buyers will remain on the markets in each section until the crop is sold.

At a conference held in Washington by adjustment administration officials with warehousemen and manufacturers it was agreed to open some of the markets earlier this year in order that farmers who had tobacco ready for market might get the money for their crop and manufacturers agreed to keep buyers on the markets until the crop was sold.

It was also felt that early opening of the markets would promote more orderly marketing by providing farmers a longer time in which to sell, and that this action would also encourage growers to handle tobacco in such a way that it would be of the highest quality and bring the best possible price. During the first week or two after the opening of the markets, sales will be on a restricted basis in some belts since the marketings of tobacco will probably be comparatively light.

As previously announced, the opening dates of the tobacco markets will be as follows:

Georgia and Florida, August 1; South Carolina and the Border Belt, August 9; Eastern North Carolina, August 23; the Middle Belt, September 11; the Old Belt, September 25; and the Virginia Dark Belt, November 7.

8804 (7-26-34)

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WEEKLY NEWS SERIES, NO. 295
(Drought Story)

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MOVE TO SPEED UP CATTLE PROCESSING

Efforts to increase facilities for slaughtering and processing to keep pace with purchases of cattle in the drought-stricken areas are being made by the Agricultural Adjustment Administration in cooperation with the Bureau of Animal Industry and the Federal Surplus Relief Corporation.

A committee representing these three Government agencies has been named to determine what processing plants and facilities, in addition to those now in use, might be available, under contract, for slaughtering, freezing and canning and storing beef for future relief use.

When the cattle buying program was initiated less than two months ago, processing averaged about 58,000 animals per week. Facilities have now been expanded so that the average is 110,000 per week and efforts toward further expansion of processing capacity are being made. In addition, thousands of cattle are being moved to States where pastures are still available.

Appraisal and inspection of cattle continues and purchases are being made as rapidly as the animals can be processed. Purchase of cattle condemned as unfit for human food will continue as rapidly as possible. Such cattle are usually disposed of on the farms where they are purchased. Efforts to meet the problem of a depleted livestock feed supply in the drought areas will be made by a committee appointed for this purpose.

Cattle purchased by the Government up to the close of business July 23 totaled 1,363,332 and condemnations in the same period amounted to 139,244. Total payments certified to the close of business July 21 totaled $6,899,189. These payments do not cover all purchases to that date, however. There is a spread of several days between date of purchase and date of payment, due to the requirements of accounting procedure.

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WEEKLY NEWS SERIES, NO. 296
(Cotton Story)

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COTTON OPTION EXERCISE BRINGS FIFTY MILLIONS

_____ cotton growers who took options on government-held cotton at
(State)
six cents per pound as part payment for their participation in the 1933 cotton adjustment program had received, up to June 30, a total of $_____ through exercise of options by sale of cotton and $_____ through exercise of options by participation in the cotton producers' pool, according to a report received from the Agricultural Adjustment Administration.

Of the total of $51,547,035.37 received on options by growers in 18 States, $11,618,480.03 came through the exercise of options by sale of cotton and $39,928,555.34 through exercise of option by participation in the producers' pool. During the month of June, payments to growers in all cotton States through the exercise of options by sale amounted to $224,503.99. Payments to producers for June on account of exercise of options by participation in the pool totaled $46,374.70.

Note to Editors: The attached summary sheets will give you the amounts for the month of June and the cumulative amounts for your State.

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8806 (7-26-34)

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WEEKLY NEWS SERIES, NO. 297
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COOPERATORS GET QUARTER BILLION ADJUSTMENT PAY

_____ farmers who have signed _____ production adjustment contracts had received rental and benefit payments totaling $_____
(State) (kinds of contracts)

up to July 1, according to a report which has been submitted to Administrator Chester C. Davis.

Total rental and benefit payments of $228,633,676.41 for the entire United States include $139,525,359.58 to cotton growers in 18 States, $68,965,433.17 to wheat growers in 37 States, $12,861,632.35 to tobacco growers in 23 States, and $7,281,251.31 to corn-hog producers in 15 States.

During the month of June, _____farmers received $_____ in
(State)
cotton payments, $_____in tobacco payments, $_____ in wheat payments, and $_____in corn-hog payments.

Rental and benefit payments for the entire country for the month of June totaled $28,025,277.62 of which $18,868,831.20 represented payments to cotton growers, $592,077.00 to wheat growers, $3,338,421.66 to tobacco producers and $5,226,017.76 represented payments to corn-hog producers.

The Agricultural Adjustment Administration is now in the process of paying approximately $30,000,000 in second payments for adjustments in the 1933 wheat crop, $50,000,000 as the first installment for adjusting 1934 cotton production, $25,000,000 in first payments to producers adjusting 1934 tobacco production, and $130,000,000 as the first installment for adjusting 1934 corn and hog production.

Note to Editor: The attached summary sheets will give you the information on the rental and benefit payments on each commodity for your State.

8807 (7-26-34)

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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Office of the Comptroller

Rental and Benefit Payments - Month of June, 1934

State	Total	Cotton	Wheat	Tobacco	Corn-Hogs
Alabama	$ 2,073,259.86	$ 2,059,879.81	$	$ 30.00	$ 13,350.05
Arizona	132,270.86	132,042.86	228.00		
Arkansas	2,168,577.23	2,167,839.03	61.00		677.20
California	50,466.56	39,616.93	10,849.63		
Colorado	21,704.41		21,704.41		
Connecticut	10,898.43			10,898.43	
Delaware	668.83		668.83		
Florida	72,150.34	62,295.68		9,854.66	
Georgia	1,305,873.95	1,067,368.28		238,505.67	
Idaho	11,906.55		11,906.55		
Illinois	15,787.48		15,787.48		
Indiana	91,076.85		4,600.42	42,425.83	44,050.60
Iowa	3,013,276.33		1,815.88		3,011,460.45
Kansas	114,137.54		113,291.54	846.00	
Kentucky	1,198,716.54	19,331.20	1,359.82	1,178,025.52	
Louisiana	1,121,933.05	1,121,933.05			
Maryland	14,078.01		3,452.21	7,989.80	2,636.00
Massachusetts	2,705.90			2,705.90	
Michigan	2,056.61		2,056.61		
Minnesota	953,043.09		7,923.94	132.45	944,986.70
Mississippi	2,810,566.18	2,810,566.18			
Missouri	1,099,062.78	163,082.58	6,980.00	28,866.00	900,134.20
Montana	63,662.79		63,662.79		
Nebraska	44,148.57		44,148.57		
Nevada	14,932.30		296.30		14,636.00
New Hampshire					
New Jersey	170.30		170.30		
New Mexico	148,962.18	147,627.81	1,334.37		
New York	289.20		70.80	218.40	
North Carolina	1,829,098.19	820,813.66	214.03	1,008,070.50	
North Dakota	151,309.04		151,309.04		
Ohio	109,900.95		4,460.47	76,813.43	28,627.05
Oklahoma	513,664.99	488,823.21	24,841.78		
Oregon	12,511.69		12,511.69		
Pennsylvania	9,161.79		1,736.35	7,425.44	
South Carolina	1,665,485.79	1,335,417.60		330,068.19	
South Dakota	94,484.19		27,290.14		67,194.05
Tennessee	834,768.96	531,284.13	338.43	303,146.40	
Texas	5,893,694.05	5,865,105.84	28,588.21		
Utah	3,544.69		3,544.69		
Vermont					
Virginia	126,171.66	35,803.35	2,084.64	86,053.32	2,230.35
Washington	96,756.13		21,258.13		75,498.00
West Virginia	10,425.57		88.30	1,360.96	8,976.31
Wisconsin	116,700.16		154.60	4,984.76	111,560.80
Wyoming	1,217.05		1,217.05		
Totals	$28,025,277.62	$18,868,831.20	$592,007.00	$3,338,421.66	$5,226,017.76

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Office of the Comptroller

Summary Statement of Rental and Benefit Payments to June 30, 1934

State	Total	Cotton	Wheat	Tobacco	Corn-Hogs
Alabama	$ 12,695,346.52	$ 12,680,760.47		$ 1,236.00	$ 13,350.05
Arizona	414,671.52	399,523.82	15,147.70		
Arkansas	13,792,399.80	13,789,777.60	1,945.00		677.20
California	1,329,678.30	499,347.28	830,331.02		
Colorado	1,515,112.22		1,515,112.22		
Connecticut	227,443.71			227,443.71	
Delaware	77,738.79		77,738.79		
Florida	509,715.93	328,787.37		180,928.56	
Georgia	12,212,276.51	10,847,757.56	5,163.80	1,359,355.15	
Idaho	2,387,402.37		2,387,402.37		
Illinois	1,767,623.14		1,767,355.19	267.95	
Indiana	1,441,939.33		1,351,772.95	46,115.78	44,050.60
Iowa	5,297,408.77		302,203.05		4,995,205.72
Kansas	17,063,646.35	3,052.00	17,059,748.35	846.00	
Kentucky	2,143,413.02	61,196.20	179,896.90	1,902,319.92	
Louisiana	6,771,026.95	6,771,026.95			
Maryland	598,602.15		563,586.30	32,379.85	2,636.00
Massachusetts	105,785.74			105,785.74	
Michigan	594,809.98		594,129.98		680.00
Minnesota	2,326,651.51		1,310,065.28	25,699.93	990,886.30
Mississippi	13,389,537.92	13,389,537.92			
Missouri	4,058,416.13	2,006,547.28	1,095,255.97	31,570.00	925,042.88
Montana	4,411,461.27		4,411,461.27		
Nebraska	4,130,368.22		4,130,368.22		
Nevada	35,770.60		21,134.60		14,636.00
New Hampshire	2,383.96			2,383.96	
New Jersey	8,259.11		8,259.11		
New Mexico	921,678.28	573,610.99	348,067.29		
New York	57,283.80		30,827.80	26,456.00	
North Carolina	8,848,959.43	3,755,483.40	37,459.58	5,056,016.45	
North Dakota	10,160,771.90		10,160,771.90		
Ohio	1,650,057.50		1,227,730.08	393,700.37	28,627.05
Oklahoma	16,959,573.57	12,193,055.73	4,766,517.84		
Oregon	1,854,213.89		1,854,213.89		
Pennsylvania	695,712.58		188,532.76	507,179.82	
South Carolina	8,571,960.63	6,979,873.44		1,592,087.19	
South Dakota	3,672,629.66		3,605,435.61		67,194.05
Tennessee	4,317,905.53	3,897,354.30	89,264.83	331,286.40	
Texas	54,933,768.99	51,161,205.36	3,772,563.63		
Utah	472,544.83		472,544.83		
Vermont	2,833.33			2,833.33	
Virginia	1,122,772.61	187,461.91	390,894.76	542,185.59	2,230.35
Washington	4,100,358.54		4,024,860.54		75,498.00
West Virginia	93,460.19		53,188.82	31,295.06	8,976.31
Wisconsin	601,898.10		28,077.71	462,259.59	111,560.80
Wyoming	286,403.23		286,403.23		
Totals	$228,633,676.41	$139,525,359.58	$68,965,433.17	$12,861,632.35	$7,281,251.31

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WEEKLY NEWS SERIES, NO. 298
(Cotton Story)

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PLAN ORDERLY
MARKETING OF
POOL COTTON

Cotton held in the producers' pool, which may now be sold at the discretion of the pool manager with the approval of the Secretary of Agriculture, will be marketed in an orderly manner which will avoid competition with the normal channels of trade, according to an announcement which comes from the Agricultural Adjustment Administration.

Under the provisions of the cotton producers' pool agreement, the approximately 1,950,000 bales held by the pool could not be sold prior to July 31 at less than 15 cents on a pound basis for middling 7/8 inch. The price of cotton has not reached this figure since the pool was formed and no sales of actual cotton have been made.

Oscar Johnston, manager of the cotton pool, points out the fact that the pool futures have been liquidated without disturbing the market and assures the same procedure in the liquidation of the actual cotton.

"This pool cotton," he says, "will be marketed in an orderly fashion in accordance with sound business judgment and with a view to avoiding competition with normal trade channels. We have no intention of dumping or sacrificing this cotton. Our fixed purpose is to liquidate the pool account as early as practicable in a manner which is consistent with good business principles. When and if any of this cotton is offered for sale, the public will be advised and the trade given an opportunity to purchase."

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8832 (8-2-34)

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(General Story)

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MARKED INCREASE IN FORAGE CROPS SHOWN IN SURVEY

Marked increase in the acreage of forage crops to help offset livestock feed shortage resulting from drought is shown in a survey conducted by the replacement crops section of the Agricultural Adjustment Administration.

This survey shows that less than five percent of the acreage retired from surplus crops under adjustment programs is idle land. In a number of the leading agricultural States, as much as 90 percent of the contracted or rented land is being used for the production of forage. Without the adjustment contracts, much of this land would undoubtedly have been planted to crops which are less drought resistant than many of the emergency forage crops.

Under the adjustment program, farmers have shifted millions of acres to soil-improving and erosion-preventing crops, chiefly adapted legumes and grasses which make excellent forage. In addition, large acreages of emergency forage crops were planted after modifications were made in contract restrictions.

These include soybeans, sudan grass, forage and grain sorghums, millet, and fodder corn. The Corn Belt and the Southern States have this year made the largest plantings on record of alfalfa and lespedeza. This is also true of soybeans in the Corn Belt. Clover seedings have also been increased in many States.

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8831 (8-2-34)

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WEEKLY NEWS SERIES, NO. 300
(Cotton Story)

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REGULATION PERMITS WAREHOUSE STORAGE OF UNTAGGED COTTON

Growers who wish to store their 1934 cotton and postpone attachment of bale tags until a date later than the ginning date may store in approved warehouses in any State as well as on their own farms, under a new regulation announced by the Agricultural Adjustment Administration.

The term "approved warehouse" is defined in the new regulation as "any warehouse or compress bonded under the United States Warehouse Act or the law of any State or a warehouse or compress approved by the Secretary of Agriculture for the storage of cotton under these regulations."

All cotton of an individual producer, under the new order, must be stored in one approved warehouse which he may select. The requirements of the Bureau of Internal Revenue regarding the tax on cotton-ginning under the Bankhead cotton control act must be fully complied with by the producer and the ginner.

The name and location of the warehouse where the cotton is stored must be shown on the affidavit and lien card that are executed when attachment of bale tags is postponed. No cotton stored in approved warehouses shall be sold or removed from the warehouse for any purpose until a bale tag has been attached. Warehouses accepting cotton for storage under these conditions are required to segregate all bales so stored from those bales to which tags are attached.

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WEEKLY NEWS SERIES, No. 301
(Cotton Story)

URGE COTTON POOL
MEMBERS TO DELAY
CERTIFICATE SALES

Cotton producers who hold participation certificates in the cotton pool are urged by Secretary of Agriculture Henry A. Wallace not to sacrifice them or sell them at a discount but to wait until arrangements can be made for the pool to take them over at the market price for the amount of cotton which they represent.

Details of the plan under which the holders of the certificates can offer them to the pool and realize their full value are now being worked out and are expected to be announced in the near future. Under this plan, certificate holders will get the market price less the 10 cents per pound loan and the amount of the carrying charges. The actual cotton will be handled in such a way as not to disturb the market.

Approximately 445,000 cotton producers hold participation certificates in the pool which has 1,950,305 bales of cotton.

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WEEKLY NEWS SERIES, No. 302
(Corn-Hog Story)

SEE EARLY COMPLETION OF CORN-HOG PAYMENTS

With more than 30 percent of all corn-hog contracts received in Washington and more than 20 percent of the first adjustment payments due contract signers now paid out it is expected that the bulk of the first installment of approximately $130,000,000 will be received by farmers by the end of August.

Payments to corn-hog contract signers are now well past the 25 million mark and disbursements henceforth are expected to average more than a million dollars a day. More than two million dollars in 27,065 checks were paid out in one day recently. Every effort is being made to speed the checks to the farmers as fast as the contracts are received in Washington.

"The distribution of payments is now proceeding at a much more rapid rate because the contracts are coming in from the States in increasingly greater volume," Dr. A. G. Black, chief of the Agricultural Adjustment Administration's corn-hog section points out. "A great many contracts have been received within the last two weeks and are now about ready for payment. Approximately three-fourths of all counties participating in the program have been authorized by their State corn-hog boards of review to go ahead in the preparation of contracts for final signature."

Florida, Washington, Virginia, Ohio and Alabama have submitted more than half of their contracts for payment. Arizona, Arkansas, Iowa, Missouri, South Dakota and West Virginia have submitted approximately 40 percent of their contracts to the Washington office. Kansas, Nebraska, Wisconsin, California, Indiana, and Minnesota have sent approximately 30 percent of all their contracts.

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8869 (8-11-34)

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WEEKLY NEWS SERIES, NO. 303
(Drought Story)

U. S. Department of Agriculture

ASSURE RAPID PROCESSING OF DROUGHT CATTLE

Assurance that Government purchase of livestock in drought areas will continue at a rapid rate followed a recent conference in Washington between Government officials and packing company representatives. More than two million head of cattle had already been purchased by August 6, under the Agricultural Adjustment Administration's buying program.

Reports on problems involved in expanding facilities for processing the Government purchased cattle, sheep, and goats for relief purposes were brought to the conference by special committees. Assurance was given that packers could provide for the necessary emergency operations, in addition to the regular commercial processing.

Processing facilities have been increased since the emergency program began, and these facilities are now being coordinated and utilized to an even greater degree. In their report upon facilities, packers stated that it would be desirable to spread out purchasing and processing operations over as long a period as possible but indicated that they could keep pace with purchases, even if they were completed in five months.

On the basis of present estimates of crop conditions and feed supplies in relation to livestock numbers and the drought, Government officials believe it may be necessary to purchase as many as seven million cattle and calves and from two to five million sheep and goats.

Plans to buy sheep and goats in the drought States, to be turned over to the Federal Emergency Relief Corporation, were announced following approval of expenditure of drought relief funds for this purpose. Purchases will be made as rapidly as possible with the buying program speeded up in the most acute drought areas. Under the program, only ewes will be purchased, and a flat price of $2 for those one year old or older will be paid. A price of $1.40 each will be paid for Angora goats. Sheep buying is expected to start at least by September 1, and possibly earlier.

8870 (8-11-34)

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WEEKLY NEWS SERIES, No. 304
(General Story)

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FARM MILK PRICE INCREASES SHOWN UNDER LICENSES

An average increase in returns to producers of 57 cents per 100 pounds or 1.1 cents per quart on Class 1 milk, in more than 20 milk sales areas under Agricultural Adjustment Administration licenses, is shown in a comparison of prices for June and July 1934 with the low mark reached by depression prices in May, 1933.

During June and July in the areas studied, producers received from 61 to 87 percent of the average 1927-1929 prices. A year ago, before the Federal milk licenses went into effect, prices to producers of Class 1 milk in these areas ranged from 33 to 72 percent of the 1927-1929 average. The price increases shown were realized after making the average deductions for cost of supervision and market services under the licenses.

While price increases are of great importance to producers, price stability and protective features resulting from Federal milk market licenses are regarded as of equal value. Distributors also reap benefits from the Federal licenses, principally through the knowledge that all competitors must pay the same price for any particular grade of milk.

Efforts on the part of the Adjustment Administration to establish milk licenses are made only upon the request of producer groups.

8889 (8-17-34)

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WEEKLY NEWS SERIES, No. 305
(General Story)

LIVESTOCK FEED SITUATION EASED BY AAA PROGRAMS

The supply of grain per grain-consuming animal unit during the current season, in spite of the drought, will be approximately 6 percent greater and the supply of hay per hay-and-pasture-consuming animal unit will be approximately 17 percent greater than otherwise might have been the case without the net downward adjustment in livestock numbers and the net increase in forage and pasture crop plantings due to the adjustment programs and the drought relief livestock purchases, it is estimated by Secretary of Agriculture Henry A. Wallace.

Secretary Wallace's estimate is based upon a report by the Department of Agriculture, requested by the Adjustment Administration, which shows a supply of feed grain equivalent to .55 tons per animal unit as compared with .66 tons for 1933 and the average of .78 tons for the 1929-1933 period. The current estimated hay production represents an average of .67 tons per animal unit as compared with .95 tons in 1933 and 1.03 tons during the 1929-1933 period.

Without the net reduction in livestock numbers beyond the adjustment that would normally have been made under the conditions which exist this year, the number of grain-consuming animals would likely have totaled 124,244,000 instead of the present estimate of 106,129,000. As a result of the shift from commodities produced in surplus to the growing of hay and forage, encouraged under the adjustment programs, the supply of hay is estimated to be 6,909,000 tons or about 13 percent greater than it would have been without the adjustment programs.

Without the Government's emergency cattle purchases in the drought area which already total more than two million, and the sheep purchase program soon to start, it is estimated that the total number of hay-consuming animals at the beginning of the approaching feeding season would have totaled 4.4 percent more than it now will be.

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WEEKLY NEWS SERIES, No.306
(General Story)

PLAN BUYING OF SOYBEAN HAY TO CONSERVE FEED

Preparations to buy from 50,000 to 150,000 tons of soybean hay, number two grade or better, at $15 per ton F.O.B. country stations in areas to be determined later are being made by the Federal Surplus Relief Corporation, according to an announcement by the Agricultural Adjustment Administration.

This effort to conserve roughage for livestock and to divert to feed purposes large supplies of soybeans which otherwise, because of high prices, might be harvested for seed, has been instituted by the Federal Surplus Relief Corporation at the request of and in cooperation with the Agricultural Adjustment Administration.

As a result of the adjustment programs, large areas were shifted this year to drought-resistant forage crops such as soybeans. A study of the uses made of acreage retired from surplus grain crops shows that extraordinary acreages of soybeans are available this year.

Administrator Chester C. Davis says, "the way in which the adjustment programs have added to the feed supplies of the country by stimulating planting of forage crops in time of drought is of greatest importance. Indications of these increases in forage crops can be seen in the increased sales of forage seed this year over last. Sales of Korean lespedeza seed have increased 63 percent, soybeans 38 percent, millet and sorgo 33 percent, and Sudan grass 29 percent."

A nationwide survey of feed and food resources, the most extensive ever undertaken in this country, which will be of immense value in feed conservation efforts, has been started by the Bureau of Agricultural Economics at the request of the Adjustment Administration.

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WEEKLY NEWS SERIES, No. 307
(Sugar Beet Story)

SUGAR BEET CONTROL
PROGRAM DEVELOPING

Details of the sugar beet production control program for 1934-35, nearing completion in the Agricultural Adjustment Administration, will be explained to growers in a series of meetings early this fall, according to John E. Dalton, chief of the sugar section.

A history of each individual beet grower's past production for each of the past five years, is now being compiled by the AAA from records furnished by the sugar factories. These records will serve as a basis for individual and factory production allotments.

Through the county agricultural agents, who will be the key men for the Administration in the sugar beet producing areas, each grower will be given an opportunity to verify his record as submitted by the AAA. In instances where the land has changed hands during the base period or growers have delivered beets to more than one factory, landowners will be asked to assist in making a final check to see that the production ascribed to their land for the past five years is correct and that deliveries to all factories are credited to them. To assist the county agent, a committee will be selected from each community.

"Every beet grower will be afforded an opportunity to become thoroughly acquainted with the details of the program and the provisions of the contract through the community or county meetings", Mr. Dalton said. "The plan will be strictly voluntary and we want every one concerned to know exactly what is expected of him when he signs a contract to control sugar beet production".

(More)

8892

The 1935 marketing allotment for sugar from sugar beets has been set at approximately 1,550,000 short tons raw value and production is to be adjusted toward this level. In 1933 national production of sugar from sugar beets was 1,757,000 short tons raw value, and in 1932 it was 1,452,000 short tons.

Benefit payments are to be made after contracts are approved by the Secretary of Agriculture.

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WEEKLY NEWS SERIES, No. 308
(General Story)

WARN CONSUMERS AGAINST UNDUE FOOD PRICE RISE

Consumers throughout the Nation are warned by Dr. Frederic C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, against being stampeded by false rumors about the effect of the drought on the food situation lest they be victimized by unjustified price advances.

Dr. Howe asserts that exaggerated reports are being spread about prospective increases in the price of foods. "Consumers should follow closely official reports on the movement of food supplies and prices," he says. "This will help them to buy wisely and economically and to detect unwarranted price increases."

The present concern is not over increased prices to farmers but, rather, over possible unwarranted spread between prices received by farmers and prices paid by consumers. Dr. Howe says, "Farmers are still getting only a little over a third of the consumer's food dollar compared to the years from 1924 to 1929 when they received almost half. In getting a fair share of the consumer's dollar to the farmer, part of the problem is keeping marketing costs from rising substantially."

Dr. Howe says that some food prices will undoubtedly rise, partly in line with usual seasonal changes and partly because of drought-reduced supplies, but supplies of so many foods will be normal or above and the rest so near normal that no one need fear a food shortage.

"We are going to give consumers every possible help in judging the fairness of price changes," Dr. Howe says. "So far, the spread between farm prices and city retail prices -- that is, the charges for all transportation, processing and marketing does not seem to have been increased more than enough to cover increased wages and processing taxes."

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WEEKLY NEWS SERIES, No. 309
(Northeastern States)

SOUTH'S CONTRACT ACREAGE NOT USED FOR TRUCK CROPS

Fears of eastern farmers that southern growers are crowding eastern markets with potatoes and other truck crops grown on land retired under contract from the production of cotton and tobacco are groundless, according to officials of the Agricultural Adjustment Administration.

It is pointed out that contracts signed by cotton and tobacco growers prohibited the cooperating farmers from growing for sale any crop on the contracted acres. When the drought in the West became serious, these contracts were modified but only to permit the production of forage and seed of emergency meadow and forage crops.

During a survey conducted by the replacement crops section of the Agricultural Adjustment Administration to determine what use was being made of the contracted acres, it was found that while the acreage of white potatoes had been increased this year in the Carolinas, this increase had occurred only in the area where potatoes are usually grown and not on the cotton and tobacco rented acres.

The survey showed that in the Carolinas, 75 percent of the contracted acres are being used for the production of feed crops and food crops to be consumed on the farm. The remaining 25 percent of this land is in new seedings for meadows and pastures and erosion preventing and soil improving crops. The same uses of contracted acres in approximately the same proportions was found throughout the South.

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WEEKLY NEWS SERIES, No. 310
(Drought Story)

DROUGHT RELIEF SEED PURCHASES SHOW PROGRESS

Progress in the efforts of the Agricultural Adjustment Administration to insure sufficient quantities of properly adapted varieties of seeding for planting 1935 crops in the drought area has been marked by the purchase of more than two million bushels of seed.

Seed purchases so far include 1,068,500 bushels of spring wheat, 37,300 bushels of Durum wheat, 781,000 bushels of oats, 324,500 bushels of barley and 1,500 bushels of flax seed. Special effort is being made to acquire foundation stocks of improved varieties of seeds particularly adapted to each region affected by the drought.

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WEEKLY NEWS SERIES, NO. 311
(Corn-hog Story)

EXTEND CORN LOAN DATE TO JAN. 1; REPAYMENT RAPID

Corn loans totaling $121,069,053, made last winter and spring to mid-western farmers, are being repaid at the rate of more than a million dollars a day although the maturity date has been extended from September 1 to January 1. The total amount repaid, including partial payments, up to August 20 was $42,185,000.

Corn loans, at the rate of 45 cents per bushel for corn put under seal on the farm or in authorized public warehouses, were inaugurated last November to provide an immediate stimulus to farm purchasing power and to supplement the corn-hog production adjustment program. Agricultural Adjustment Administration officials point out that the loan program has not only brought about higher prices for all corn but has been instrumental in conserving the feed supply which has been threatened this year by the drought.

A total of 256,532,000 bushels of corn was under seal when granting of loans ceased May 1 and all of the 142,368 borrowers have had the direct financial advantage of the price rise during the past few months. The plan which provided for partial release of the corn under seal for feeding on the borrowers' farm and repayment of the loan on that portion of the corn released has stimulated orderly marketing and has relieved feed shortage in the drought area.

To obtain the extension of time on corn loans until January 1, the borrower will be required to execute and return to the Commodity Credit Corporation a prescribed form of extension agreement not later than October 1 and to furnish satisfactory storage until March 1, 1935 free of cost to the Government.

Under the terms of the extension agreement, if the borrower desires to sell his corn after September 15 he must first offer it for sale, at the local elevator market price, to such agency of the Government as the Commodity Credit Corporation may designate. If no agency is designated, or if the designated agency does not accept the borrower's offer immediately, he is free to dispose of the corn in the regular commercial channels, except that all sales of pledged corn, other than to a Government agency, require the consent of Commodity Credit Corporation.

The number of borrowers, amounts borrowed and repayments of loans by States, but exclusive of the partial repayments as of August 20, follow: Colorado - $67,500, obtained by 64 borrowers and $19,946 repaid; Illinois - $31,000,000 obtained by 36,606 borrowers and $13,382,125 repaid; Indiana - $1,200,000 obtained by 1,144 borrowers and $84,256 repaid; Iowa - $59,000,000 obtained by 74,807 borrowers and $11,330,921 repaid; Kansas - $1,000,000 obtained by 996 borrowers and $28,168 repaid; Minnesota - $5,500,000 obtained by 9,369 borrowers and $2,445,736 repaid; Missouri - $1,000,000 obtained by 998 borrowers and $211,000 repaid; Nebraska - $22,000,000 obtained by 15,056 borrowers and $3,779,413 repaid; Ohio - $280,000 obtained by 477 borrowers and $95,923 repaid; South Dakota - $1,700,000 obtained by 2,271 borrowers and $428,174 repaid.

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WEEKLY NEWS SERIES, No. 312
(Wheat Story)

WHEAT PROGRAM
OBJECTIVE IS TO
KEEP BALANCE

The program for adjusting wheat acreage for harvest in 1935, as announced by the Agricultural Adjustment Administration, is calculated to maintain the balance which has been established between production of wheat and the requirements for the crop, officials of the Administration point out.

The wheat carryover for the United States totaled about 389 million bushels on July 1, 1933, and by reason of the drought and the 1933 adjustment program, was reduced to approximately 290 million bushels on July 1 this year. The normal carryover for export and reserve in past years has averaged between 125 million and 150 million bushels.

It is possible to attain this normal carryover this year since the 1934 crop is estimated at 491 million bushels and the normal requirements of the country are about 625 million bushels.

The approach to the normal carryover of wheat this year made it possible for the Adjustment Administration to authorize cooperating farmers to plant this year for harvest next year, 90 percent of their base acreage instead of the 85 percent which was authorized last year. Favorable crop conditions probably would produce, on any greater acreage, a national crop so large that it would force prices down. Cooperating farmers are protected against lower prices by their benefit payments, but noncooperating farmers do not have this protection.

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WEEKLY NEWS SERIES, No. 313
(General Story)

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ADJUSTMENT OBJECTIVE IS PRODUCTION BALANCE

Agricultural adjustment is passing out of its emergency phase of crop reduction into its second phase wherein the principal objective is to maintain a balance between production and effective market requirements, both domestic and export, it is pointed out by Chester C. Davis, Administrator of the Agricultural Adjustment Act.

"The farmers of America," he says, "partly because of their cooperative effort and partly because of the misfortunes of the drought which is requiring the use of much of the burdensome surplus, are passing out of the emergency stage of this program, the stage when emphasis necessarily was placed on curtailing production in order to eliminate unsaleable surpluses.

"I do not conceive that the Agricultural Adjustment Act was merely an implement to reduce the depressing surpluses and then stop. Certainly there would be no permanent value in such a program. As I read the Act, we have a plain mandate not only to establish a proper balance between production and consumption of agricultural commodities, but to maintain that balance. Although that balance is not yet established in most of our major crops and the drought has created some new maladjustments, we are already fashioning our future activity toward maintaining a level of production of farm products that will be ample for domestic requirements plus our probable export demands, that may be expected to return a fair price to the farmer.

"During the rest of 1934 and 1935, it will be up to the farmers who are marching in step in this great cooperative program to assist in developing a well-rounded general plan for the future. No agricultural program will be adopted or long continued unless it is a farmers' program, understood by them and carried forward by them."

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WEEKLY NEWS SERIES, No. 314
(General Story)

CROP ADJUSTMENT
PAYMENTS SHOWN
IN AAA ESTIMATE

_____ farmers will receive $_____ of the probable
(State)
total of $779,402,000 to be disbursed in rental and benefit payments in the 1933, 1934 and 1935 wheat, corn-hog, tobacco and cotton adjustment programs, according
(check for your State)
to an estimate issued by the finance division of the Agricultural Adjustment Administration.

"These benefit payments," says Louis H. Bean, economic advisor to the Adjustment Administration, "a large part of which add to the farm income in the calendar year 1934, help to assure that farmers as a whole will have a larger cash income in 1934 than in 1933." He states that while production has been greatly reduced, farm commodity prices are enough higher than in 1933 to more than offset the reduced volume of production and that, with benefit payments, the farm buying power of the nation as a whole will be greater than during last year.

Of the estimated total payments, a preliminary report shows that up to August 25, $282,882,519 had been disbursed in rental and benefit payments. These payments to producers cooperating in adjustment programs were made as follows: $152,510,793 to cotton producers, $15,773,785 to tobacco growers, $67,781,951 to wheat farmers, and $46,815,988 to corn-hog producers.

Following are the estimated totals of rental and benefit payments to be received by the various States:

Alabama, $21,077,000; Arizona, $1,359,000; Arkansas, $23,456,000; California, $6,064,000; Colorado, $7,057,000; Connecticut, $890,000; Delaware, $266,000; Florida, $1,122,000; Georgia, $19,690,000; Idaho, $8,472,000; Illinois, $43,331,000;

8932 (More)

Indiana, $28,589,000; Iowa, $76,624,000; Kansas, $66,220,000; Kentucky, $15,168,000; Louisiana, $11,440,000; Maine, $5,000; Maryland, $2,343,000; Massachusetts, $734,000; Michigan, $5,358,000; Minnesota, $18,829,000; Mississippi, $23,183,000; Missouri, $33,616,000; Montana, $13,101,000; Nebraska, $41,485,000; Nevada, $128,000; New Hampshire, $63,000; New Jersey, $281,000; New Mexico, $2,945,000; New York, $760,000; North Carolina, $21,735,000; North Dakota, $33,074,000; Ohio, $23,044,000; Oklahoma, $39,767,000; Oregon, $6,717,000; Pennsylvania, $2,257,000; Rhode Island, $5,000; South Carolina, $13,846,000; South Dakota, $24,535,000; Tennessee, $14,494,000; Texas, $93,981,000; Utah, $1,583,000; Vermont, $109,000; Virginia, $5,145,000; Washington, $12,945,000; West Virginia, $681,000; Wisconsin, $10,194,000; Wyoming, $1,154,000; Puerto Rico, $1,000,000.

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WEEKLY NEWS SERIES, No. 315
~~(Wheat Story)~~

SECOND 1934 WHEAT CHECKS BEING MAILED

The huge task of auditing the compliance certificates of the more than half a million wheat farmers who signed allotment contracts is now getting in full swing at Washington, D.C., and payments are going out to farmers, the Agricultural Administration reports.

In the most recent compilation of payments on the second 1933 instalment of 9 cents a bushel, less local costs, payments to 11 States totaled $104,429.43 and went to 3,156 farmers. Compliance certificates have been received from practically all States and payments to them will go forward as rapidly as the certificates can be audited.

The payments received by farmers now are not to them as the local costs are deducted before the checks are written.

Of the total of $104,429.43, payments had been made by States as follows:

State	No. Checks	Amount
Missouri	143	$ 2,203.10
Indiana	772	10,802.05
Kansas	338	8,808.11
Oklahoma	955	41,635.65
California	323	31,804.56
Iowa	5	92.31
Nebraska	40	294.03
Maryland	252	3,861.89
North Carolina	39	530.19
Ohio	285	4,332.50
Texas	3	65.04

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WEEKLY NEWS SERIES, No. 316
(Cotton Story)

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ESTABLISH POOL FOR COTTON CERTIFICATES

Cotton farmers whose production is over their allotment will be able to purchase additional tax exemption certificates and those whose production is under their allotment will be able to sell surplus certificates through a national pool, under the provisions of a ruling issued by the Secretary of Agriculture, it is announced by the Agricultural Adjustment Administration. The sale price has been set at four cents per pound.

"This plan of handling the excess certificates", says Cully A Cobb, chief of the Adjustment Administration's cotton section, "does not mean that the Government will purchase such certificates but does mean that those who have more certificates than they have cotton to gin and sell may turn the excess certificates over to the manager of the national surplus cotton tax-exemption certificate pool who will handle them for producers under a trust agreement."

The price of four cents per pound is approximately 70 percent of the tax of 5.67 cents per pound imposed by the Bankhead Act on the ginning of cotton. Under the pool provisions, farmers who do not produce as much cotton as their allotment calls for will get some cash from the excess certificates and those farmers who produce more than their allotments will be able to gin and sell some of their excess. Ernest L. Deal of Florence, Ala., has been designated manager of the pool.

PRICE FIXED FOR EXCESS CERTIFICATES

When the pool is closed, all funds on hand from the sale of the certificates, after deducting expenses, will be distributed among producers and each producer will receive his share in the proportion the poundage

State representatives will attend regional conferences as follows:

Indianapolis - September 10 and 11 - Ohio, Michigan, Indiana, Illinois, Kentucky, and Tennessee.

Kansas City - September 12 and 13 - Missouri, Kansas, Nebraska, Iowa, Oklahoma, Texas, and Arkansas.

St. Paul - September 14 and 15 - Minnesota, Wisconsin, North Dakota, and South Dakota.

Salt Lake City - September 14 - Colorado, Wyoming, Montana, Idaho, Utah, Oregon, Washington, and California.

New York City - September 15 - The Northeastern States.

Atlanta - September 19 - The Southeastern States.

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WEEKLY NEWS SERIES, NO. 318
(General Story)

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FEED, LIVESTOCK
SITUATION NEED
CAREFUL STUDY

Two striking facts about the present livestock and feed situation, the rapid reduction in livestock numbers and the advance in feed prices at a more rapid rate than livestock prices in general are pointed out by Chester C. Davis, Administrator of the Agricultural Adjustment Act, as evidence of the need for farmers to look closely into the present situation and the probable consequences next year if there were no control program.

"This situation," he says, "places a heavy premium on feed supplies. Past experience shows the probable result of such a condition. In the past the result has been an immediate and large increase in corn acreage, followed by ruinously low feed prices and a consequent overexpansion in livestock production. The final result was collapse of livestock prices.

"The danger of feed production pulling away ahead of livestock requirements, thereby driving feed prices down to the point where livestock production would be abnormally stimulated will be especially great next year because of the unusual sales of livestock this year. Substantial adjustments in livestock numbers and a life-saving rise in hog prices have been accomplished. Reductions of 30 percent in hog supplies have rescued hog prices from disastrous levels but also have reduced the demand for corn and emphasized the danger of unrestricted corn production next year.

"A view expressed by farm leaders which is emphatically shared by the Adjustment Administration is that by planning 1935 corn production to allow for all needs but to prevent excessive expansion, both the feed grain and livestock price situations may be kept at stable and profitable levels."

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WEEKLY NEWS SERIES, NO. 319
(Wheat Story)

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AAA PREPARES TO PAY NEXT WHEAT CHECKS

Preparations for paying the first 1934 wheat adjustment payment of 20 cents a bushel on each cooperating farmer's allotment are being made by the Agricultural Adjustment Administration, according to word received from Washington.

Although cooperating wheat farmers have been authorized to increase their plantings 5 percent above those of last year, the adjustment payment to farmers has been announced as the same as last year, 29 cents a bushel on each farmer's allotment, which will be the same as that of last year. The second 1934 payment, of 9 cents a bushel, less local costs, will be made next year after compliance is checked.

The second 1933 payment is now being mailed to farmers as rapidly as compliance certificates on this year's contract are audited and approved. According to the wheat contract, the first 1934 adjustment payments, totalling approximately $70,000,000 are scheduled to be made in October.

It will be unnecessary to audit contracts or compliance certificates before making this first 1934 payment, George E. Farrell, chief of the wheat section said. "Last fall the original contracts had to be approved before checks could be written. This summer we have checked the compliance certificates very carefully.

"As soon as a compliance certificate is audited, punch cards used in the check writing machines are punched to show the amount which should be paid on the first 1934 installment.

"This means, that as the auditing of compliance certificates is completed, all that remains necessary for the payment of the 1934 first installment will be to write the checks from the office records without any contract or certificate auditing. It is possible that there may be some delay as a result of incompletion of compliance certificates, but these are being audited as rapidly as possible and payment on them is going forward steadily."

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WEEKLY NEWS SERIES, NO. 320
(Drought Story)

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Drought Cattle
Purchases Pass
Million Mark

More than four and one-quarter million head of cattle had been purchased by the Government in the drought area by the end of August and the sheep and goat purchase program was scheduled to get under way the first week in September.

Purchase and benefit payments on 2,860,857 head, totaling $38,811,870 had been made up to the end of August on drought cattle purchases. The average price per head was $13.57. Payments which had gone to 220,000 farmers included a total of $14,154,349 in benefit payments and $24,657,521 in purchase payments.

Recent additions to the list of drought counties has increased the list to a total of 1,447 in 25 States. Of these, 1,154 are classed as emergency counties and 293 are secondary counties.

Procedure announced for the purchase of sheep and goats will be similar to that followed in the cattle purchase program. None of the animals or the products, such as skins, pelts, wool and hair will enter commercial channels but will be handled by the Federal Surplus Relief Corporation for relief purposes.

In making the purchases, priority will be given to those areas which are in most distressed condition because of the drought. Purchases will be made only from those producers who have not sufficient feed to maintain their full flocks.

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WEEKLY NEWS SERVICE, No. 321
(Cotton Story)

PRODUCTION CONTROL LEADS TO SECURITY

Positive security for the Southern cotton producer and a forward-looking movement toward a greater security is the purpose of the present cooperative effort by the growers and the Agricultural Adjustment Administration.

"To obtain this security means controlled production," declares Cully A. Cobb, chief of the cotton section, "and in my opinion, control undoubtedly is here to stay. Naturally, our plans and methods will be adjusted and readjusted until they have more nearly approached perfection but the growers themselves have demonstrated that control can be made a profitable reality.

"In the past, farmers working alone have attempted to control production by voluntary reduction campaigns and while some good results were obtained, the ultimate goal was not reached. Back in 1926, we started the accumulation of the huge surpluses which all but bankrupted the cotton belt by the spring of 1933. We still have 10,800,000 bales of that surplus and this is one of the facts which makes it necessary to go on with control."

Pointing to the fact that the crop reporting board of the United States Department of Agriculture estimates the present 1934 crop to be about 9,250,000 bales, Mr. Cobb said this is the answer as to whether the production of cotton can be controlled and it is also the answer as to what intelligent control cooperated in by all growers throughout the Belt can mean to price.

Figuring the price of this cotton crop at 13.5 cents a pound, it has a value of $624,375,000. Add to this the value of the seed at $25 a ton and add

rental and benefit payments, the total value of the crop rises to $853,645,000. This is almost double the value of the 13-million bale crop of 1932.

"Control therefore has carried the cotton grower up from the poverty prices of 1932 and early 1933 to the prices of today," Mr. Cobb said. "Today's prices mean a continuing return of prosperity to the Cotton Belt."

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WEEKLY NEWS SERIES, No. 322
(Cotton Story)

COTTON SITUATION BEFORE ADJUSTMENT DECIDED CONTRAST

Cotton farmers have learned that excessive supplies reduce the price of the staple and that elimination of the surplus tends to raise the price.

"For that reason, the cotton adjustment program was designed to eliminate the cotton surplus so that a bale of cotton could have as large a purchasing power as it had in the base period of 1910-14," says Cully A. Cobb, chief of the cotton production section of the Agricultural Adjustment Administration.

"Studies made by government economists show that for five years prior to 1929, the annual gross income from cotton and cottonseed averaged slightly over $1,500,000,000. In 1930, it was $750,000,000. In 1931, cotton farmers sold their 17-million bale crop for $528,000,000 including the seed. The crop of 1932 brought $431,000,000. This shows how the value of the crop was first cut in half and the half further cut in half again. We know what this did to the cotton South in standards of living, ability to buy and power to pay debts."

It is known that a part of this decrease in the value of the cotton crop came with the falling prices of the period but it is also a fact that the prices were further depressed due to the mounting surplus. Mr. Cobb points out that consumption fell below production in 1929-30 and 1,800,000 bales were added to the surplus that year. In 1930-31, consumption fell still more and 2,600,000 additional bales were added to the surplus at the close of the year. The next year, the carry-over was further increased by 4,100,000 bales. This brought the world carry-over of

nited States cotton on August 1, 1932 up to 13 million bales. The crop of 1932 amounted to 13 million bales which gave a supply of 26 million bales for the season.

With this large supply serving to depress the price, farmers could not hope to have their normal purchasing power. Mr. Cobb says at the low point in 1932, it took three bales of cotton to buy what one bale had bought in the base period of 1910-14. The adjustment program was set up, therefore, to remedy such a situation.

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WEEKLY NEWS SERIES, No. 323
(Tobacco Story)

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EXPLAIN SALES
PROCEDURE FOR
SCRAP TOBACCO

Sales of scrap tobacco by contracting producers must be entered on allotment cards and must be covered by tax-payment warrants, according to information received from the Tobacco Section of the Agricultural Adjustment Administration. Scrap tobacco, if sold from a crop grown under a tobacco contract, becomes a part of the grower's allotment. If the tax is paid on sales of any part of a contracting producer's crop, it will be in violation of the terms of the contract.

A bill of sale should be obtained by the grower if he sells scrap tobacco to a dealer in leaf tobacco or a processor of tobacco. The producer must then take the bill of sale and his allotment card to an agent of the Secretary of Agriculture issuing warrants at a warehouse. The agent will make the necessary entry on the allotment card and issue a tax-payment warrant covering the sale. The bill of sale, with the tax-payment warrant attached, is then returned to the purchaser.

Dealers and processors are required to file monthly returns showing all purchases of tobacco, including scrap, at the office of the Collector of Internal Revenue. Dealers in leaf tobacco, including warehouses and re-drying plants, are required to register with the Collector of Internal Revenue of the district in which they are located. Any person or concern manufacturing or otherwise processing tobacco is considered a processor of tobacco.

If a contracting producer sells scrap tobacco to a person who is not a dealer or a processor, he must obtain a bill of sale, have the entry made

(More)

8996 (9-13-34)

on his allotment card, obtain the tax-payment warrant covering the sale, and make the report himself to the Collector of Internal Revenue in his district. Forms and information about the filing of returns can be obtained from the office of the Collector of Internal Revenue of the district in which the producer is located.

A grower violating the terms of his contract through improper disposition of his tobacco may have his contract terminated. If a grower's contract is terminated, he may be required to refund any previous payments in addition to being required to pay the tax upon the sale of the tobacco covered by the tax-payment warrants issued to him, according to the Agricultural Adjustment Administration.

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WEEKLY NEWS SERIES, No. 324
(Corn-hog story)

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ANNOUNCE PLANS FOR 1933 AND '34 CORN CROP LOANS

Tentative plans have been announced for loaning 55 cents per bushel through the Commodity Credit Corporation to producers on farm stored corn of the 1933 and 1934 crops, as a measure for conservation of feed and seed supplies, and to promote orderly marketing of this season's crop.

The loans will be available to eligible producers at four percent interest on the security of merchantable ear corn, graded No. 4 or better, properly stored and warehoused according to the state warehouse regulations, in the States of Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, and South Dakota.

A commitment of $100,000,000 to finance the loan program has been obtained by the Commodity Credit Corporation from the Reconstruction Finance Corporation. The provisions of the loan agreement are similar to those of the 1933 loan agreement. The period in which the new loans on 1934 or 1933 corn, not sealed under the previous program, may be negotiated will probably terminate February 28, 1935.

An eligible producer may make application to his local bank after his corn has been sealed in accordance with State regulations. Banks will be permitted to make the loans and the Commodity Credit Corporation will purchase acceptable notes. Forms are being prepared and will be distributed through banks and county agricultural agents.

The new loan program supersedes the extension granted upon 1933 corn loans, since the borrowers may reseal corn on which the old loans are outstanding and secure a new loan at the rate of 55 cents per bushel. Reinspection and resealing of all corn carried over into the new loan and liquidation of all loans

not carried over will be necessary. The time limit for reinspection and resealing to shift from the old loans to the new has been set at October 15, 1934.

Under the new loan agreement, the note of the producer may be called at the option of the holder of the loan when the quoted price of corn exceeds 90 cents per bushel. It is felt by officials that the fixing of a call price should be incorporated in the agreement as a safeguard against freezing the supply, should a serious shortage develop this winter.

The corn loan of 1933, Agricultural Adjustment Administration officials point out, has enabled producers to hold a large portion of their crop which would otherwise have passed out of their hands at low prices prevailing early in the season.

By September 11 more than half of the 1933 corn loans had been repaid. Repayments totaled $66,300,134. A total of $55,768,919, representing 122,000,000 bushels of sealed corn, remained outstanding.

The amount of corn represented by outstanding loans on September 11, by states, was as follows:

Colorado.	50,000 bushels
Illinois.....	20,000,000 bushels
Indiana.....	1,000,000 bushels
Iowa.....	63,000,000 bushels
Kansas.....	1,000,000 bushels
Minnesota..	3,500,000 bushels
Nebraska.....	32,000,000 bushels
Ohio.....	150,000 bushels
Missouri.....	1,000,000 bushels
South Dakota.....	1,200,000 bushels
TOTAL.....	122,900,000 bushels

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WEEKLY NEWS SERIES, NO. 325
(General Story)

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REVEAL WIDESPREAD UNDERCONSUMPTION OF MILK IN SURVEY

Widespread underconsumption of milk is revealed in a preliminary report issued by Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration.

The report, based upon the most extensive survey of its kind ever undertaken, covers information obtained by clubwomen from 29,485 families in 59 cities and 46 States. The survey was limited to families with children in school and with incomes ranging from average to low. The average number of persons in the families surveyed was 5.44 and the average number of children per family was 2.69. The average income per family was $21.29 per week.

More than 14 percent of the families represented in the survey reported that they bought no fresh milk at all and average purchases of fresh milk for the entire group amounted to less than six-tenths of a pint per person daily.

Average purchases of evaporated milk by the families surveyed were high compared to the national per capita consumption but total purchases of both fresh and evaporated milk were low in comparison to the nutritional needs of the individual as specified by the Bureau of Home Economics of the United States Department of Agriculture. Average purchases of evaporated milk amounted to a little more than 18 pounds per year per person.

Average per capita purchases of fresh and evaporated milk combined were more than 27 percent below the point which is safe from a health standpoint and 64 percent below the liberal diet level, according to the Bureau of Home Economics standards.

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FARM SUGGESTIONS GUIDE THE PLANS FOR 1935 PROGRAM

Plans for a 1935 feed grain and livestock production program which are being discussed this week (week of Sept. 10) at six regional conferences, embody the suggestions which farmers and farm leaders in the corn and hog producing areas believe should be submitted for the consideration of producers in the referendum which is to follow the conferences.

These suggestions include provision for corn acreage control in 1935, utilization of contracted acres for the production of hay and pasture, and a farm storage plan to encourage producers to put into storage any corn produced in 1935 over actual requirements and to help accommodate individuals in a financial way who wish to offer their corn as collateral for Government loans.

One suggestion is that it may be possible to confine the 1935 program largely to feed grains, relaxing control of livestock production, partly because excess numbers are being eliminated this year and, partly because control of feed grains henceforth should satisfactorily control livestock numbers, particularly hogs.

Although the immediate problem of grain and livestock producers is to decide on a program for 1935, farm leaders have urged that it is also desirable to begin laying the foundation for a unified grain program in 1936, shifting emphasis from individual commodity programs for raising prices to a comprehensive program for agriculture as a whole which would develop better systems of farming through less intensive use of land, conserve soil resources and lead to use of land for the production of crops to which it is best adapted.

Such a plan would not be rigid and fixed, but would be flexible enough to meet changes in conditions as they arise and would allow freedom of action on the part of the individual farmer consistent with proper balance between production and demand.

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1934 SITUATION IS LIKE OTHER DROUGHT YEARS

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The situation which exists this year, with feed supplies greatly reduced by drought, is similar to that which existed in three other drought years within the memory of many farmers and the events which followed are remembered because of the unfortunate effect they had upon farm prices.

The droughts of 1894, 1901, and 1930 greatly reduced corn yields and in each instance, both corn acreage and corn yield increased in the year following to the point where prices were forced down to unprofitable levels. Average corn yields, in the year which followed each of these severe droughts, increased from 19.6 to 27 bushels per acre and the average increase in acreage was 7 percent.

In 1894, the production of corn per acre for the United States was cut nearly one fourth by dry weather. In 1895, farmers responded by planting over 10 million additional acres to corn. The yield per acre went to two bushels above the average. As a result, farmers in the fall of 1895 harvested over two and one half billion bushels and the price of corn by December 1 had fallen to 25 cents per bushel. In 1896, farmers again planted a large area to corn and the yield was four bushels above the average. As might have been expected, hog production by 1897 had been greatly stimulated. Similar situations developed following the drought years of 1901 and 1930.

Because livestock numbers are being greatly reduced this year, feed requirements will be lowered next year. Hogs, for instance, which eat 40 to 50 percent of the corn, are expected to number about 30 percent fewer next year than the

(More)

two-year average for 1932-33. Thus the corn crop in 1935 can be from 12 to 15 percent smaller than the 1932-33 average and still supply all needs adequately.

If farmers of the United States in 1935 should plant to corn an acreage equal to the average of 1932-33, that is, about 105,500,000 acres, their production would be more than 15 percent above normal in view of the actual livestock requirements that will exist.

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CONTRACTED WHEAT ACREAGE IN 1935 OPEN FOR FORAGE

Farmers cooperating in the 1934 A.A.A. wheat adjustment program will again be encouraged to use contracted acres for producing forage crops, through the administrative ruling on the use of contracted acres in 1935.

One third of the land held out of wheat production for harvest in 1934 may be planted back to wheat for harvest in 1935 and the other two thirds may again be used for growing livestock feed. The 1935 wheat program authorizes an increase for next year up to 90 percent of the three-year base acreage and is expected to produce, under average growing conditions, approximately 775,000,000 bushels for harvest.

The administrative ruling on the use of contracted acres in 1935 specifies that these acres may be seeded to any grass, legume or emergency forage crop, or may be summer fallowed, planted to trees or left unplanted if there is no danger of serious damage from soil erosion and provided that noxious weeds are controlled.

Grass and legume crops may be used for hay, pasture, or seed production. Emergency forage crops may be used for hay, pasture, or roughage but not grown for seed or allowed to reach maturity.

Contracted acres are not to be planted to basic commodities listed under the Agricultural Adjustment Act. These include wheat, corn, barley, grain sorghums, flax, rye, cotton, tobacco, rice, sugar beets, sugarcane and peanuts. Also, this acreage may not be used for production for sale of special crops such as vegetables and small fruits. Small grains, however, may be used as nurse or companion crops with grass or legume seedings, provided they are harvested before maturity.

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ADJUSTMENT AIDS COTTON RECOVERY

Starting from one of the lowest three points in the history of cotton production, the price of American cotton has risen to over 12 cents a pound. Last year, 1933, the increase in the price, together with the benefit payments under the Agricultural Adjustment program, nearly doubled the income that growers received from cotton and cotton seed.

"It is not known definitely at this time what the income from the crop of 1934 will be but it is definitely known that prices are higher than they were one year ago", declares Cully A. Cobb, chief of the cotton production section of the Adjustment Administration. "It is also believed that when farmers bring their crop of 1935 to market, they will face less competition from stocks of old cotton on hand than they would have had to face in any of the past three years. It is also known that the South has led in the progress towards economic recovery. Much of this must be credited to the improvement in the income of the cotton grower".

How this improvement came about may be seen in figures supplied by government economists showing the effects of the adjustment program. Mr. Cobb says cotton growers increased their acreage in 1933 over 1932 in the futile effort to secure more money to meet expenses. The growing season for 1933 was unusually favorable and had the full crop reached maturity, the total yield would have been in excess of 17,500,000 bales. This amount added to the carry-over would have given a supply of United States cotton in excess of 29 million bales. The plow-up or adjustment program of 1933 held production to 13 million bales. The program of 1934 held the cotton acreage to 27,400,000 acres though it certainly would

(More)

have been increased far beyond this figure without a program, believes Mr. Cobb.

This smaller acreage coupled with poor growing conditions in certain parts of the cotton belt indicates one of the smallest crops since 1921 and is now officially forecast at 9,195,000 bales. Contrasted with a supply of 26 million bales, two years ago, the world supply of American cotton this year will be about 20 million bales and as a result, cotton prices have improved materially. The reduction in the gold content of the dollar has had something to do with this, of course, but certainly the reduction in the supply of cotton brought about by the adjustment programs has also had tremendous effect, says Mr. Cobb.

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COTTON EXPERIMENTS
LEAD TO ADJUSTMENT

The present successful effort of the Agricultural Adjustment Administration to control the production of cotton in the South is no new thing. Control experiments were attempted as far back as 1905, and, prior to that time, farm leaders had advocated diversification of crops as a means to curtail cotton production.

"Studies made by Everett E. Edwards of the Bureau of Agricultural Economics in the Department of Agriculture reveal the interesting fact that the first definite attempt to curtail the production and marketing of excess cotton began back in the winter of 1904", says Cully A. Cobb, chief of the cotton production section of the Agricultural Adjustment Administration. "In that winter, there was a 'hold your cotton' movement which culminated in meetings held at every county courthouse in the South to stimulate an active campaign to reduce acreage in 1905. The Southern Cotton Association was formed, the Farmers Union aided, and plans were made to reduce acreage by 25 percent. The Southern banking interests helped, and the acreage was reduced by 14 percent under that of 1904".

In 1908, Mr. Cobb continued, some cotton was actually plowed up to reduce acreage. An effort to curtail acreage by 10 percent was made and bad weather in the spring aided the effort.

In the campaign to reduce acreage in 1915, the governors of the various States met at Memphis and proposed that laws be passed to reduce acreage. South Carolina did pass such a law, dependent upon action by other States. The withholding of credit to farmers was also used as a means of forcing non-cooperating growers to take part in the reduction movement. Again a reduction of about 14 percent was secured.

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In 1921, the acreage was cut by 15 percent following the signing of pledges, the use of the Liberty Loan organizations and other means. Mr. Cobb says the Georgia Agricultural Society proposed that a State law be passed to force cessation of cotton planting for one year.

Holding movements also were begun in 1926 and 1927; North Carolina fixed county quotas as to the amount of cotton farmers should plant; bankers and merchants all over the South were urged by organizations and societies to withhold credit from those who would not cooperate and State committees were organized to promote the reduction work.

More recently, the Federal Farm Board attempted to promote the reduction of cotton acreage in the South, says Mr. Cobb. However, it remained for the Agricultural Adjustment Administration to put forward a successful and workable plan founded in part on the experiences of the past, and it is expected that this plan will continue to be favored by the growers.

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GIVE PROCEDURE FOR ADJUSTMENT PLAN DISCUSSION

Corn-hog producers who have participated in the 1934 corn-hog adjustment program of the Agricultural Adjustment Administration will vote on adjustment plans for next year, in a series of referendum meetings that are to be held in counties and communities during the two weeks ending October 12. Corn-hog committeemen, county extension agents, and others who have been in charge of the 1934 program will conduct the referendum meetings.

District meetings within States, at which State corn-hog committeemen, extension workers, and others will discuss the current economic situation, the outlook for 1935, and plans for conducting the referendum, are planned for the last week in September. At other meetings within counties, called by the chairmen of county corn-hog control associations, community committeemen will further discuss the situation and the procedure for the voting. Local committeemen will notify contract signers of the dates and places of the community meetings at which the votes will be taken.

Each contract signer will be asked to vote by written ballot on the plans that are to follow the 1934 program. Results of the balloting will be relayed through county and State chairmen to the Agricultural Adjustment Administration.

The two questions to be considered and voted upon by corn-hog producers are:

Do you favor an adjustment program dealing with corn and hogs in 1935?

Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock, to become effective in 1936?

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"This referendum", says Chester C. Davis, Administrator of the Adjustment Act, "is a continuation of the Administration's policy of obtaining the views of the majority of producers before taking any action with respect to adjustment of production of a basic commodity. It is time for the corn-hog producers of this country to decide their course for next year and the production control associations formed during the past year provide a means that never existed before, by which farmers may express their wishes directly."

The Agricultural Adjustment Administration particularly desires to obtain the opinion of the 1,200,000 producers who have had the benefit of a year's experience in the 1934 corn-hog program. A separate poll of non-signers who produced at least 10 acres of corn for grain in 1934, or who produced hogs for market in 1934, may be taken at the option of the Boards of Directors of the county corn-hog control associations.

In areas where the corn-hog industry is a minor enterprise and where there are fewer than 50 contract signers to a county, the balloting may be conducted at county-wide meetings instead of at community meetings. In counties with fewer than 25 contract signers, their vote may be taken by mail.

Community meetings at which farmers will vote on plans for 1935 will be held as follows: _____

(Places, dates and time)

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1935 CORN-HOG REDUCTION MAY BE UNDER 1934

Percentage of adjustment from the 1932-33 corn-hog base production, specified in any program for 1935 that may be developed as a result of the referendum among corn-hog producers, will not be greater than that required in the 1934 program, and may be less.

The reason, as explained by A. G. Black, chief of the Agricultural Adjustment Administration's corn-hog section, is that it may be desirable to increase hog production moderately during the next several years and also that farmers in the drought areas will want to rebuild reserves of feeds. The effect of the drought has been to reduce feed supplies below normal and this is bringing about substantial adjustments in livestock numbers.

If producers vote favorably on a control program for 1935, Adjustment Administration officials will confer further with representatives of producers in developing the details of a suitable contract and will offer this contract to producers for sign-up sometime before the end of this year. Wherever possible, the Administration also will speed up administrative procedure.

Any program dealing with both corn and hogs in 1935 would follow the general outline of the 1934 program but benefit payments would probably be somewhat larger for corn and materially less for hogs than under the program this year. Contracted acres could be used for any hay, pasture, forage, fallow or woodlot purpose without restriction, but basic crops could not be produced on contracted acres.

Community meetings at which farmers will vote on plans for 1935 will be held as follows: _____
(Places, dates and time)

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ANNOUNCE QUESTIONS FOR CORN-HOG VOTE

Producers' answers to two questions that are to be considered and voted upon during the first two weeks of October by the 1,200,000 signers of the Agricultural Adjustment Administration's corn-hog adjustment contract, will provide the basis for adjustment plans that will follow the 1934 corn-hog adjustment program. These questions are:

Do you favor an adjustment program dealing with corn and hogs in 1935?

Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1936?

These questions are based on suggestions made to the Agricultural Adjustment Administration by corn-hog control association representatives, State corn-hog program administrators, and State Extension Directors, who met recently in six regional meetings at various points in the United States.

The vote will be taken by written ballot at community meetings where producers will give due consideration to the current economic situation and the outlook for 1935. Results of the vote will be relayed through county and State chairmen to the Agricultural Adjustment Administration. In counties with fewer than 50 contract signers, balloting may be conducted at county-wide meetings and where there are fewer than 25 contract signers in a county the vote may be taken by mail.

The danger that both acreage and production of corn, the principal feed grain of the U.S., would be excessive in 1935 if there were no adjustment program in effect, is pointed out by Chester C. Davis, Administrator of the Agricultural Adjustment Act.

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"Material adjustments in livestock numbers are being made on account of low crop yields resulting from drought," he says. "Feed prices are advancing faster than livestock prices and this is setting the stage for over-expansion of feed grains, particularly corn, in 1935. A corn crop no larger than the average of the past few years would mean excessive production in relation to livestock numbers and would result in low corn prices. This, in turn, would stimulate excessive livestock production, particularly hogs, and would result in much lower prices in 1936 and 1937. This is the outlook which farmers will need to consider carefully in their local referendum meetings."

While the Adjustment Administration is particularly anxious to get the opinion of producers who have had benefit of one year's experience in the 1934 corn-hog program, a separate poll of non-contract signers who are eligible producers may be taken at the discretion of Boards of Directors of county corn-hog control associations.

Any contract which may be developed for 1935 will be available to all eligible producers whether or not they signed a contract in 1934.

Community meetings at which farmers will vote on plans for 1935 will be held as follows:_____
(places, dates and time)

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FUNDS AVAILABLE FOR PURCHASE OF LIVESTOCK FEEDS

Further efforts to assist farmers in drought-stricken areas to procure livestock feed are being made by the Agricultural Adjustment Administration through a plan, tentatively arranged with the Reconstruction Finance Corporation, to lend $50,000,000 to the Federal Livestock Feed Agency to purchase and conserve feed for areas where it will be most needed.

The Adjustment Administration has already arranged to underwrite the harvest of a million tons of corn fodder, corn stover, and soybean hay which will be available for purchase by farmers who lack sufficient feed to carry their livestock through the winter. Farmers who have surpluses of these feeds will harvest them under individual contract with the Government.

The Federal Livestock Feed Agency will establish a feed information clearinghouse which will gather information on the location of feed supplies in areas where there is a surplus and information on needs in areas where there is a deficit of feeds. The clearing house, through its lists of supply sources and lists of distributing agencies, will be able to supply information on location, price, quality, and shipping costs.

According to the preliminary outlines of the feed-purchase plan, the feeds purchased will be made available through regular commercial channels to livestock producers.

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NEW CORN LOAN
PLAN DETAILS
ARE ANNOUNCED

Details of a new corn-loan program through which growers may again hold their corn and benefit from any market price increase have been announced by the Agricultural Adjustment Administration.

Loan value of corn, set at 55 cents per bushel this year, is 10 cents higher than last year. The interest charge will be 4 percent. The recently announced extension of outstanding corn loans to January 1 in the 1933-34 program is canceled by the announcement of the 1934-35 program, but growers may transfer old corn to the new program up to October 15. Maturity date of the new loans will be June 30, 1935.

To prevent "freezing" of the corn supply, provision has been made in the new loan program that producers' notes may be called, at the option of the holder, when the price of corn is at or above 85 cents per bushel, Chicago basis.

Growers will be required to insure corn upon which they have obtained loans this year. The Commodity Credit Corporation has arranged with insurance companies for a special policy which gives the required protection at the rate of 75 cents per hundred dollars of value.

Corn which grades No. 4 or better will be eligible for loans this year. Old corn, stored in temporary or unsuitable cribs, will not be accepted for loans. The standard of measurement used last year, which was $2\frac{1}{5}$ cubic feet per bushel, will be used again this year.

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COTTON PROGRAM PREVENTS RETURN TO LOWER PRICES

Without an adjustment program for cotton in 1935, growers in the South might easily bring about a condition similar to that which they faced in the early part of 1933 or in 1932 when the price was approximately 5 cents a pound.

"I do not believe that our cotton producers would wilfully do this, but it would easily be done if the safeguards of the present contracts were withdrawn by the Agricultural Adjustment Administration," says Cully A. Cobb, head of the cotton section. "For instance, one grower would think that he could safely increase his acreage by 10 acres and would use a little more and a little better fertilizer. The present price, he would think, would justify such action. Then, if the other two million cotton growers thought the same way, as they probably would, we would have an increase of 20,000,000 acres right there. The greater use of fertilizers accompanying the increase might, with a good producing season, again add to the price-breaking surplus production now on hand.

"For that reason, each individual grower might well ask himself the timely question, 'How much cotton should I plant in 1935?' The question needs to be debated at meetings of growers and by the county control associations. It should be kept in mind also that every grower in the South should have the same privilege that might be desired by any one group or individual.

"The South has seen the benefits which come from a cooperative program with themselves and their Government and I do not believe that they will wish to return again to the low prices and low standard of living which prevailed prior to the beginning of the present cotton production adjustment program.

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REPORT PROGRESS ON SUB-MARGINAL LAND PURCHASES

Encouraging progress in the program of the Federal Government to eliminate sub-marginal land from destructive competition with good land is reported by the program-planning division of the Agricultural Adjustment Administration.

This program, which is in line with the course of action that has long been urged by national leaders, has a definite relation to the problem of balancing our total agricultural production with effective demand. But, as H. R. Tolley, director of the program-planning division points out, careful adjustment of production on good land must accompany the retirement of poor land.

Federal funds for buying sub-marginal land have been set aside in two allotments. The first allotment, amounting to 25 million dollars, was from Public Works Administration funds and is for use in any part of the country. The second allotment of 12½ million dollars was from the drought relief funds and is for purchase of land that is definitely a very poor risk for farming because it is located in a climate that is too dry.

The 37 areas which have been tentatively chosen so far for purchase will become demonstration projects for such uses as forests, parks, Indian projects, and for wild-life refuges. These areas are made up of land that is too poor for profitable farming because of the effects of erosion, natural lack of sufficient fertility or water, or because it is too rough or rocky to be farmed profitably.

Agencies of the Government which share in the administration of the land purchase funds include the Federal Emergency Relief Administration, the National Park Service, the Bureau of Indian Affairs, the Biological Survey, and the Agricultural Adjustment Administration.

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PURCHASE POWER OF HOGS NEARLY DOUBLES IN YEAR

When benefit payments are included in computing hog prices, hog purchasing power is nearly double what it was a year ago according to figures compiled in the Corn-Hog Section of the Agricultural Adjustment Administration.

In August, the price the farmer received for hogs, counting both market price and benefit payments, was about 75 percent of the fair exchange value as compared with 45 percent in August 1933.

The increase in "hog purchasing power" means that 100 pounds of live hog sold by the farmer in August would buy 75 percent as much manufactured goods as in the pre-war period of 1910-14. A year ago it would buy only 45 percent as much as during the pre-war period. In other words, officials pointed out, the purchasing power of hogs has advanced 30 percent toward parity with non-farm goods in the past year.

The farm price of hogs in August was $5.85 at all markets as compared with $3.75 during the same period of 1933. When the benefit payment of $5 per head to cooperating farmers is included, the price per hundred on a 200-pound hog is $8.35.

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SURVEY SHOWS USES
OF CONTRACT ACRES

Effective use of contracted acres by signers of _____ adjustment contracts is shown by a survey which indicates that _____ percent of these acres in _____ were used for production of _____.
(kinds of contracts) (State) (kinds of crops)

A survey conducted by the replacement crops section of the Agricultural Adjustment Administration in 26 States, including _____ indicates a production of from 10 to 12 million tons of forage this year on acres retired from basic crops which have been produced in surplus.
(State)

Convincing evidence was gathered in this survey that contract signers made extensive use of their rented acres in establishing new seedings of pasture and meadow crops and soil-improving crops in the humid regions and in fallowing to conserve moisture and control weeds in the dry regions.

After May 29, when first contract modifications were issued, as a result of the drought permitting the planting of emergency forage crops, extensive use was made of this additional privilege.

The survey is based upon estimates made by officials in charge of adjustment programs in the States concerned, Extension Directors, county agent leaders and county agents and on a study of compliance statements from contract records assembled in the States.

The following summary by commodities and by States gives detailed information on the use of rented acres:

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9054 (9-27-34)

UTILIZATION OF CONTRACTED ACRES
AVERAGE PERCENTAGE USE BY STATES--1934

WHEAT	Food and Feed (1)	New Seedings of Pasture and Hay	Soil Improvement	Fallow	Idle	Misc. Use mostly weed control	Percentage (2) Use for Forage after May 29
Ohio	2	80	18				90
Indiana		50	25	25			90
Illinois	10	20	50	20			90
Iowa	2	42	35	20		1	70
Missouri	2	65	30	3			90
Nebraska		17.5	17.5	57.5	7.5	1	85
Kansas		26.5	1.6	33.3	38.3		68.3
Oklahoma	5	10	25	60		-1	*80
No. Dakota	15			85			0
Montana	10	10		70	10		0
Washington	30	43		25		2	0
Oregon	8.3	23.3		46.6	20	1.6	0
Idaho	2.5	45		40	12.5		0
Colorado		40		35	25		65
Wyoming				20	80		0
Kentucky	25	50	15		10		85
Tennessee	20	20	50		10		90
Virginia	40	50	7		3		60
West Virginia	80	15			5		0
Pennsylvania	50	15	30		5	-1	25
New Jersey	10	75	10		5		95
Maryland	35	20	10		35		0

*Survey too early for data

(1) Previous to May 29, intended for use only on home farm.

(2) This figure represents total percentage used for forage after May 29 when modifications on use of contracted acres were announced. It includes forage planted on land where seedings killed out.

(more)

UTILIZATION OF CONTRACTED CORN ACRES

AVERAGE PERCENTAGE USE BY STATES (1934)

CORN	Food & Feed (1)	New Seedings Pasture or Hay	Soil Improve-ment	Fallow	Idle	Misc. Use Largely Weed Control	Percentage (2) Use for Forage After May 29
Ohio		15	65	18		2	90
Indiana		25	70	5			95
Kentucky		25	65	10			95
Illinois		15	60	10	10	5	90
Iowa		15	25	15	45**	-1	85
Nebraska		30	50	18		2	65
Kansas		15	5	20	60**		0
Missouri		80	19	1		-1	95
Tennessee			90		10		95
Virginia		35	60		5		80
West Virginia		15	70		10	5	80
Maryland		15	50		35		0
Pennsylvania		5	90		5	-1	85
New Jersey		3	85	2	10		85
Texas		5	20	75			*
North Dakota		15		85			0
Montana				80	20		0
Colorado				90	10		0

* Survey too early for data.

** Lack of soil moisture.

(1) Previous to May 29 no food, feed or forage crops could be grown on contracted corn acres.

(2) This figure represents total percentage used for forage after May 29 when modifications on use of contracted acres were announced. It includes forage planted on land where seedings killed out.

(more)

UTILIZATION OF CONTRACTED ACREAGE
AVERAGE PERCENTAGE USE BY STATES (1934)

COTTON	Food & Feed (1)	New Seedings Pasture or Hay	Soil Improvement	Fallow	Idle	Misc. Use Largely Weed Control	Percentage (2) Used for Forage After May 29
Georgia	90	0	10				*
South Carolina	65	0	35				*
North Carolina	65	10	10		13	2	*
Tennessee	65	25	5		4	1	*
Virginia	80	7	10		3		*
Texas	75	10	10	5			*
Oklahoma	75	15	5	5			*
Arkansas	90	5	4			1	*
Mississippi	75	5	15			5	*
TOBACCO							
South Carolina	50		25		25		*
North Carolina	50	5	40		5		95
Virginia	70		20		10		40
Tennessee	50	25	10		15		95
Kentucky	40	20	30		10		90
West Virginia	15		80			5	80
Mississippi		25	25	50			95
Pennsylvania	50	10	35		5		30
Ohio	25		25		50		90
Indiana		15	60	10	10	5	

* Survey too early for data.
(1) Home use only.
(2) This figure represents total percentage used for forage after May 29 when modifications on use contracted acres were announced. It includes forage planted on land where seedings killed out.

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WEEKLY NEWS SERIES, No. 340
(Wheat Story)

FIRST 1934 WHEAT CHECKS COMBINED WITH FINAL 1933

Distribution of the estimated $_____ which will be received by _____ (State) farmers as the first wheat adjustment payment on the 1934 crop is to begin at once, according to information received from the wheat section of the Agricultural Adjustment Administration.

These payments, to be made at the rate of 20 cents per bushel on each cooperating farmer's allotment, will be combined with the second payment on the 1933 crop and checks will be mailed as rapidly as compliance certificates are received and audited.

_____ (State) farmers have received $_____ of the estimated total of $_____ due in the second payment on the 1933 crop.

Note to Editors:

The following table shows the estimated second payments on the 1933 crop, estimated first payments on the 1934 crop, and actual payments made to date on the second installment of the 1933 crop benefit payments for your State:

State	Estimated Second 1933 Payment	Estimated First 1934 Payment as Shown by First 1933 Payment	Second 1933 Payment Made to Date
Arizona	$ 6,500	$ 14,572	$
Arkansas	900	1,884	
California	363,400	820,936	146,876
Colorado	651,400	1,469,606	
Delaware	34,300	75,606	
Georgia	2,400	5,173	453

(More)

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State	Estimated Second 1933 Payment	Estimated First 1934 Payment as Shown by First 1933 Payment	Second 1933 Payment Made to Date
Idaho	$ 1,054,100	$ 2,336,570	
Illinois	769,500	1,712,846	$ 25,826
Indiana	585,000	1,293,772	78,659
Iowa	133,900	295,616	209
Kansas	7,593,800	16,772,240	842,298
Kentucky	77,100	171,412	1,331
Maryland	249,800	547,785	64,389
Michigan	256,500	569,546	7,217
Minnesota	570,500	1,271,796	
Missouri	477,000	1,054,594	55,018
Montana	1,892,200	4,346,716	3,398
Nebraska	1,828,100	4,084,813	100,468
Nevada	9,300	20,391	1,495
New Jersey	3,600	7,790	
New Mexico	155,200	342,393	7,355
New York	13,700	30,534	855
North Carolina	16,900	36,792	2,119
North Dakota	4,421,200	10,082,611	
Ohio	537,700	1,180,734	12,332
Oklahoma	2,126,200	4,702,802	166,696
Oregon	834,800	1,829,427	
Pennsylvania	78,800	175,198	6,480
South Dakota	1,578,400	3,523,638	
Tennessee	39,400	88,070	870
Texas	1,672,900	3,723,494	232,371
Utah	205,900	453,672	
Virginia	171,000	371,578	7,942
Washington	1,806,700	3,988,697	229
West Virginia	23,600	52,674	
Wisconsin	11,800	26,658	
Wyoming	126,600	279,474	
Total	$ 30,380,100	$ 67,762,110 1/	$1,764,886

1/ Increase to cover signers not eligible for full 1933 payments will bring this total to approximately $70,000,000 on first 1934 payment.

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WEEKLY NEWS SERIES, No. 341
(General Story)

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HUMAN WELFARE IS FUNDAMENTAL IN LAND PROGRAM

Protection of human welfare is the fundamental consideration in the program of the Federal Government to retire the poorest land from agricultural production and destructive competition with good land, according to H. R. Tolley, director of the program planning division of the Agricultural Adjustment Administration.

"Our main concern in the development of a rational program of land use, is to stop the waste of human effort that occurs when farm families try to make a living from land not suited to agricultural production," says Mr. Tolley. "Such land does add something to commercial farm production and hence is related to the problem of balancing our total agricultural production to effective demand, but careful adjustment of production on good land must accompany the retirement of sub-marginal land."

Tentative choice of 37 areas in which to set up demonstration projects on the use of sub-marginal land involves the purchase of approximately two and one-half million acres with funds provided from the Public Works Administration and the Drought Relief Administration. In each area, the land is so poor that families now on it cannot make a decent living. In some areas erosion has impoverished the land past the point of possible recovery and in others the land is so rough and the individual holdings so small that they will not produce a decent living.

In still other places, the land is cutover area of thin soil with rock

so close underneath that it is droughty and infertile. One of these areas is unfitted for farming because its water supply is not sufficient for household and stock use. In another, the grazing land has been overstocked and must be organized into larger units if the men that stay on it are to have an income large enough to support their families.

Because of the low productivity of this two and one-half million acres of land its effect on total agricultural production is not of great importance but the fact that it will not provide anything but a starvation standard of living is of great importance to farm families and nearby communities.

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WEEKLY NEWS SERIES, NO. 342
(General Story)

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WIDE MILK PRICE AND PROFIT RANGE SHOWN IN REVIEW

Gross profit to distributors ranging from 4.41 cents to 8.34 cents per quart on retail milk delivered to homes in 50 metropolitan markets of the country as of September 15, 1934, and variations in retail price from 9 to 15 cents per quart are revealed in figures compiled by the dairy section of the Agricultural Adjustment Administration.

Importance of milk marketing agreements in obtaining a large share of the consumer's milk dollar for the farmer is indicated in this review. In a group of five markets in which the distributors' margins range from 4.4 cents to five cents per quart, four are under Federal license and one under State regulation.

In a group of 26 markets in which distributors' margins range from five cents to six cents per quart, 11 are under Federal license, one under joint State and Federal control, eight under State regulation, and six markets are without official control.

In the group of 14 markets where margins range from six to seven cents per quart, six are under Federal agreement, four are State regulated and four have no official control. In the five markets in which margins range from seven to eight cents or more per quart, none are under Federal license, one is State regulated and four are without official control.

Distributors' margins in this study were figured on the basis of the prevailing butterfat test in each market and no allowance is made for distributors who may pay more than the regulation price for milk with higher butterfat content and thus reduce their margin. Cost to distributors was based on the f.o.b. price at the city.

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This review does not represent a complete measurement of the relative efficiency of distributing systems in the cities concerned because the distributors' margins given relate only to that portion of the milk which is sold at retail and delivered to consumers' residences. It does not include allowances for proportions of milk sold at wholesale, nor does it show the milk prices prevailing at stores which are often less than delivered prices. It does not take into consideration supplies of relief milk frequently distributed at little or no profit to dealers.

Note to Editors:

The following table shows the September 15 milk price status in the markets included in the review and will provide information for localization of this story:

Markets F-Federal License S-State Regulation SF-State-Federal Control	Dealers' Buying Prices for raw Milk delivered f.o.b. City Per cwt.	Per Quart	Prevailing Butterfat Test of Milk Sold By Dealers	Retail Price Per Quart Bottled to family trade	Gross Margin to distributors on retail prices only
	Dollars	Cents	Percent	Cents	Cents
F - Chicago, Ill.	2.60	5.59	3.5	10	4.41
F - Baltimore, Md.	3.02	6.49	4.0	11	4.51
F - Boston, Mass.	2.98	6.41	3.8	11	4.59
F - Quad Cities	1.91	4.11	3.7	9	4.89
S - Milwaukee, Wis.	2.33	5.01	3.6	10	4.99
F - Evansville, Ind.	1.82	3.91	3.8	9	5.09
F - Indianapolis, Ind.	1.79	3.85	3.8	9	5.15
S - Philadelphia, Pa.	2.72	5.85	3.8	11	5.15
Memphis, Tenn.	2.25	4.84	4.0	10	5.16
S - Seattle, Wash.	2.20	4.73	4.0	10	5.27
Wilmington, Del.	2.60	5.59	4.0	11	5.41
Mason City, Iowa	2.12	4.56	3.9	10	5.44
F - Des Moines, Iowa	2.12	4.56	3.9	10	5.44
Washington, D.C. (Premium)	3.51	7.55	4.2	13	5.45
S - Pittsburgh, Pa.	2.56	5.50	3.7	11	5.50
F - Omaha, Neb.	2.09	4.49	3.8	10	5.51
SF- Providence, R.I.	3.46	7.44	3.9	13	5.56
F - Lincoln, Nebr.	2.05	4.41	3.8	10	5.59
S - Dallas, Tex.	2.04	4.39	4.2	10	5.61
F - Twin Cities, Minn.	2.03	4.37	3.6	10	5.63
Butte, Mont.	2.03	4.37	3.7	10	5.63
F - Oakland, Calif.	2.48	5.33	4.0	11	5.67
F - Fall River, Mass.	3.40	7.31	3.7	13	5.69

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Markets	Dealers' Buying Prices for raw Milk delivered f.o.b. City Per cwt.	Per Quart	Prevailing Butterfat Test of Milk Sold By Dealers	Retail Price Per Quart Bottled to family trade	Gross Margin to distributors on retail prices only
	Dollars	Cents	Percent	Cents	Cents
S - Salt Lake, Utah	1.99	4.28	3.9	10	5.72
F - Richmond, Va. (Premium)	3.37	7.25	4.0	13	5.75
F - St. Louis, Mo.	2.44	5.25	3.8	11	5.75
F - Los Angeles, Calif.	2.44	5.25	4.0	11	5.75
S - Portland, Ore.	1.95	4.19	4.0	10	5.81
Sioux Falls, S.D.	1.95	4.19	4.0	10	5.81
S - New York, N.Y.	3.31	7.12	3.7	13	5.88
S - Cleveland, Ohio	2.33	5.01	3.5	11	5.99
F - Savannah, Ga.	3.25	6.99	4.2	13	6.01
F - Ft. Wayne, Ind.	1.82	3.91	3.9	10	6.09
F - Detroit, Mich.	2.28	4.90	3.6	11	6.10
Macon, Ga.	1.81	3.89	4.5	10	6.11
F - Denver, Colo.	1.80	3.87	3.6	10	6.13
Duluth, Minn.	1.74	3.74	3.8	10	6.26
S - Albany, N.Y.	2.65	5.70	4.0	12	6.30
F - Louisville, Ky.	2.18	4.69	4.0	11	6.31
S - Hartford, Conn.	3.56	7.66	3.9	14	6.34
Wheeling, W.Va.	2.16	4.64	3.7	11	6.36
New Orleans, La.	2.08	4.47	4.0	11	6.53
S - Buffalo, N.Y.	2.53	5.44	3.7	12	6.56
F - Kansas City, Mo.	2.45	5.27	3.8	12	6.73
S - Cincinnati, Ohio	2.35	5.05	3.7	12	6.95
San Francisco, Cal.	2.20	4.73	4.0	12	7.27
Little Rock, Ark.	2.00	4.30	4.0	12	7.70
Birmingham, Ala.	2.90	6.24	4.5	14	7.76
S - Miami, Fla.	3.28	7.05	4.3	15	7.95
Raleigh, N.C.	2.63	5.66	4.2	14	8.34

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WEEKLY NEWS SERIES, No. 343
(Cotton Story)

COTTON PRODUCING POWER IS THREAT WITHOUT CONTROL

Unless production control, and the resulting balance of supply and demand for cotton, are continued, the potential producing power of Southern cotton growers can become an immediate threat to the price and supply stabilization accomplishments of the 1933 and 1934 cotton adjustment programs, it is pointed out by Cully A. Cobb, chief of the cotton production section of the Agricultural Adjustment Administration.

"Because the South, under the spur of attractive cotton prices, very easily might plant some 50 million acres to cotton, it is to the interest of growers that any increases which may be warranted by market demands be controlled and not allowed to run wild," says Mr. Cobb.

Attractive prices for cotton, without some definite control measures limiting production, would encourage non-cooperators to undo all the efforts of cooperating growers and would again plunge the South into the same situation which existed in the spring of 1933.

Profitable prices for cotton have nearly always been followed by increased plantings the following season and as always this has been followed by the accumulation of surplus stocks and a lowered price thereafter.

In past years, the southern farmers have learned to combat the boll weevil, to use fertilizer more effectively and to produce more cotton to the acre. At the same time, cotton acreage was expanded and more foreign producers learned

(More)

the art of growing cotton. The sum total of all this, coupled with the depression when the world demand for cotton sank to very low levels, resulted in a world supply of American cotton in 1931-32 and 1932-33 of about 26 million bales. This was equivalent to more than two years consumption at the rate existing at that time.

It is easy to see from this that without the acreage control programs of 1933 and 1934, the present cotton situation would have been materially different from what it is. It is also apparent that this control program should be continued on a sensible basis in order to maintain the advantageous balance between production and demand.

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(Cotton Story)

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TAX CERTIFICATES FOR ALL SURPLUS COTTON AVAILABLE

Farmers in _____, where official cotton estimates indicate there will be a shortage of _____ cotton tax-exemption certificates, will be able to purchase all the certificates they need at four cents a pound instead of paying the 5.6 cents a pound tax levied on the ginning of cotton by the Bankhead Cotton Control Act.

Assurance that there will be more than enough certificates available at this price is shown by the fact that excess cotton in States that have produced above their Bankhead quota amounts to only 431,223 bales, while excess certificates in States where production is below the Bankhead quota amount to 1,639,474 one-bale certificates.

Tax-exemption certificates may be purchased from individuals within a county or from the National Surplus Cotton Tax-Exemption Certificate Pool. The price is four cents a pound regardless of where the certificates are purchased. This payment must be made in cash except on individual sales within a county when other considerations of equal value may be exchanged for certificates. All transactions must be made through the office of the County Assistant in Cotton Adjustment. Certificates obtained in any other way are subject to cancellation by the Secretary of Agriculture.

Although _____, as a whole, will need to purchase certificates,
(name of State)
some individual farmers with poor yields will have surplus certificates for sale. If they cannot sell them to other farmers within their county, they can turn them into the national pool.

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9086 (10-5-34)

The government will not purchase any of the surplus certificates but all of the money taken into the pool from the sale of surplus certificates will be distributed among producers who surrender certificates to the pool, after deducting expenses, and each producer will receive his share in the proportion that the poundage surrendered by him bears to the total poundage in the national pool. The surplus certificates that are not sold will be returned, on a similar pro rata basis, to producers participating in the pool.

This does not mean that producers who turn in their surplus certificates to the pool will be paid approximately $20 for each certificate turned in but will be paid $28, minus cost of administration, for each certificate sold.

On the basis of the September 1 cotton crop estimate, States with estimated production above their Bankhead allotments and the indicated deficit in one-bale certificates are: Virginia, 6,177; North Carolina, 127,307; South Carolina, 100,791; Georgia, 58,346; Tennessee, 17,875; Alabama, 80,625; New Mexico, 13,305; Arizona, 13,463; California, 8,795; all other minor cotton producing States, 4,539.

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SHOW MARKET NEED
OF EXCESS COTTON
TAX CERTIFICATES

Farmers in _____ where official cotton estimates indicate there will be _____ surplus cotton tax-exemption certificates, will probably be able to sell nearly one-fourth of these certificates through the National Surplus Cotton Tax-Exemption Certificate Pool this season.

Cotton States whose production this year, according to official crop estimates, will exceed their Bankhead Act allotments will need to purchase only enough tax-exemption certificates to cover an excess production of 431,223 bales whereas States whose production will be less than their Bankhead allotments will have for sale surplus certificates for the 1,639,474 bales.

The selling price of four cents a pound, set by the Government for excess certificates, is approximately 70 percent of the tax of 5.67 cents a pound imposed on the ginning of cotton. The Government will not purchase any of the surplus certificates but all of the money taken in by the pool from the sale of surplus certificates will be distributed among producers who surrender certificates to the pool, after deducting expenses. Each producer will receive a share in the proportion that the poundage surrendered by him bears to the total poundage in the National pool. The surplus certificates that are not sold will be returned, on a similar pro rata basis, to producers participating in the pool, for use next year in case the Bankhead Cotton Control Act is again in effect.

However, it is not expected that all sales of certificates will be made through the pool as there is provision for sales between individuals within a county, made through the office of the county assistant in cotton adjustment, and also for the transfer of certificates from one farm to another, regardless of where

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the farms are located, so long as they are operated by the owners of the certificates. In addition, the tax itself may be paid on a small amount of the cotton ginned and doubtless some farmers will prefer to hold their excess certificates for use next year in the event the Bankhead Act is continued.

In the case of purchases and sales of Surplus Tax-Exemption Certificates within a county, the owner of the excess certificates will receive the full amount of four cents a pound, or approximately $20 a bale, for any certificates he may sell. In the case of certificates sold through the pool, the price for the certificates sold will be $20 per bale minus administration costs. Regardless of whether sales are between individuals or through the cotton pool, the purchaser must pay the full four cents a pound rate. This payment must be made in cash except on individual sales made within a county when other considerations of equal value may be exchanged for certificates. All transactions must be made through the office of the County Assistant in Cotton Adjustment. Certificates obtained in any other way are subject to cancellation by the Secretary of Agriculture.

On the basis of the September 1 cotton crop estimate, States with estimated cotton production below their Bankhead allotments and the indicated excess in one-bale certificates are: Florida, 1,683; Mississippi, 59,728; Louisiana, 89,028; Texas, 854,530; Oklahoma, 358,631; Arkansas, 241,669; Missouri, 34,205.

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WEEKLY NEWS SERIES, NO. 346
(Peanut Story)

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PEANUT PROGRAM ACREAGE PLANS ARE ANNOUNCED

Peanut growers who sign contracts with the Secretary of Agriculture to cooperate in the adjustment of production in 1935 will have choice of three methods of determining what their adjusted acreage shall be.

Cooperating growers may plant in 1935 the average of the acreage planted in 1933 and 1934, or 90 percent of the acreage planted in 1933, or 90 percent of the acreage planted in 1934.

It is believed that providing choice of three methods of determining allotted acreage will make the contract flexible enough to satisfactorily meet the conditions existing on different farms.

Benefit payments for making adjustment in 1935 acreage will be made at the rate of $8 per ton on the total quantity of peanuts harvested in 1934. This provision excludes peanuts hogged down or left in the ground. The benefit payments will be made after the 1935 acreage is checked and proper compliance with the agreement established.

In addition to adjusting acreage planted to peanuts in 1935, the program is designed to adjust the supply of peanuts from the 1934 crop available for cleaning and shelling to a quantity which will be used by the trade at satisfactory prices.

To adjust the supply of the 1934 crop for cleaning and shelling it is planned to encourage the use of peanuts as feed for livestock and the manufacture of peanut oil by making payments to contract signers for diverting up to 20 percent of their crop to these purposes. The rate of diversion payments directly to growers will be $20 per ton for Virginia type peanuts, $15 per ton for Spanish type, and $10 per ton for runners.

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RELIEF PROVIDED IN FEDERAL LAND PURCHASE PROGRAM

Salvation to thousands of farm families and relief to many communities will be brought about by the Federal program of sub-marginal land buying in the opinion of H. R. Tolley, director of the program planning division of the Agricultural Adjustment Administration.

In 37 tentatively chosen areas comprising two and one-half million acres, farmers on land too poor to provide a living for their families will be offered an opportunity to sell their land to the Government at a fair price and Federal funds will be available to help these people get a new start in a place where they will have a chance to live at a better standard.

Some will be offered an opportunity to move to better farms, others will be offered small subsistence farms located near the borders of forests or wild life refuges in which they will have work enough to furnish a money income for the purchase of a part of their living.

"In a number of communities that are sparsely settled, the escape of the families living on scattered sub-marginal farms will make it possible to bring about economies in the costs of roads, schools and other government services," Mr. Tolley says. This should relieve the tax burden on the people remaining on the better land and in the villages.

The plan of operation is designed primarily for the relief of families on land that is not suited to farming. It involves putting this land to a useful purpose. The land will be used for reforestation, wild life refuges, grazing and recreational purposes. Each of the areas will become a demonstration project in the use of sub-marginal agricultural land.

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SHOW FARM INCOME INCREASE OVER LOW LEVELS OF 1932-33

Farm income, including rental and benefit payments, for the third quarter of 1934 has increased $192,000,000 over the third quarter of 1933 and $595,000,000 over the same period in 1932, according to Louis H. Bean, economic adviser to the Agricultural Adjustment Administration.

For the three months, June, July and August, 1934, total farm income in the United States, including $133,000,000 in rental and benefit payments, was $1,508,000,000 as compared to $1,316,000,000 in June, July and August, 1933 and $913,000,000 in the same period of 1932, an increase of 65 percent in two years.

This is the highest three-month level reached since the rise which started in the second quarter of 1933 but still 33 percent below the pre-depression level. Income for the month of August, 1934, including rental and benefit payments, averaged approximately 80 percent above the low level of the first quarter of 1933. These comparisons take into account the usual seasonal changes in farm marketings.

While farm income increases have been partially offset by increases in price of commodities which farmers purchase, the net increase is encouraging. Prices paid by farmers on August 15 averaged 25 percent above the level of March, 1933. This indicates that the purchasing power of farm products in exchange for commodities had a net increase of approximately 44 percent, according to Mr. Bean.

Higher prices that farmers are now receiving and a larger total of rental and benefit payments are expected to sustain the level of farm income and offset the reduction in volume of farm marketing due to smaller crops. During August, farmers received in rental and benefit payments and from the sale of cattle and from option payments, nearly 70 million dollars. Final figures on similar payments for September are expected to total approximately 85 million dollars.

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(Cotton Story)

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PROCESSING TAX IS THE COTTON FARMER'S TARIFF

"The cotton processing tax is the cotton farmer's tariff," says Cully A. Cobb, chief of the Agricultural Adjustment Administration's cotton section. "Like tariff duties, the processing tax is passed on to consumers of cotton products. It is paid upon the conversion of raw cotton into consumers' goods and applied to the net weight of cotton entering manufacture."

As provided by law, the rate of tax shall not be greater than the difference between the fair exchange value, or the parity price of cotton, and the current average farm price. The parity price of cotton is the price which would give cotton as great a purchasing power, in terms of the things a farmer buys, as it had in the years 1910 to 1914.

Provision is made for change in the rate of the processing tax in case the tax should tend to cause consumption to decrease and surplus stocks to accumulate and cause a depression in the farm price of cotton. A compensating tax may be applied to competing commodities if consumers should shift to other products than cotton.

The cotton processing tax is paid by the consumer who buys articles manufactured from cotton, not by the producer or the processor. The fact that the processing tax is collected at the gins which are all in the South does not mean that the South pays the tax. It is passed along like tariff in the form of increased price to those who ultimately purchase the finished cotton product.

The approximately one-half of the United States cotton crop which is exported, is not affected by the processing tax. The processing tax applies only to cotton manufactured in this country, and is refunded when goods manufactured in the U.S. are exported.

The rising price of cotton since the Adjustment program has been in effect shows that the processing tax has not had a depressing effect on price.

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WEEKLY NEWS SERIES No. 350
(Peanut Story)

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OUTLINE MARKET CHOICES UNDER PEANUT PROGRAM

Choice among four methods of marketing their 1934 crop is offered growers who sign contracts to cooperate in the peanut production adjustment program that has been launched by the Agricultural Adjustment Administration. It is planned to divert to oil or feed enough of the 1934 crop so that growers can sell the remainder for cleaning and shelling at satisfactory prices.

Under the first plan, the grower may sell his entire crop to a sheller or an oil crusher, or he may sell part to a crusher and part to a sheller. By selling the entire crop to shellers or crushers, growers can obtain full returns at the time of the sale. Under this plan, diversion payments are made to oil manufacturers and passed on to growers in the form of increased prices.

The second plan provides that a grower may sell up to 20 percent of his crop to an oil crusher, obtaining a diversion agreement from the crusher which would make the grower eligible for diversion payments of $20 per ton for Virginia type peanuts, $15 per ton for Spanish, and $10 per ton for runners. On this part of his crop, the grower would get only the oil value of the peanuts and later would get the diversion payments direct from the Adjustment Administration. On the remaining 80 percent of his crop, the grower could obtain full market value at the time of sale to a sheller or crusher.

A third plan provides that a grower may sell up to 20 percent of his crop for feed, under regulations to be issued by the Agricultural Adjustment Administration. On this part he would get feed value at time of sale, and diversion payments later. He could sell the remaining 80 percent in any manner he wished and receive full market value at the time of sale.

The fourth plan provides that the grower may use up to 20 percent of his crop for feed under the regulations to be issued and receive diversion payments later. He could sell the balance and obtain full market value at time of sale.

Adjustment contracts and forms for diversion agreements between growers and crushers will be made available through county agricultural agents and grower committees.

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Washington, D. C.

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WEEKLY NEWS SERIES, NO. 351
(General Story)

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BENEFITS A PART OF THE FARMER'S EARNED INCOME

Rental and benefit payments to farmers who are cooperating in the programs of agricultural adjustment are just as much a part of their earned income as the market price they receive, Chester C. Davis, Administrator of the Agricultural Adjustment Act, asserted in a recent address.

A part of what the consumer pays for bread, meat, cotton goods, and tobacco goes to pay the farmer for the raw materials which he furnishes from his crops. The market price for a bushel of wheat or a load of hogs and the processing tax on wheat and hogs combine to make up the farmer's returns.

Market prices which are increased as a result of production adjustment efforts go alike to cooperating and noncooperating farmers, but the proceeds from processing taxes go only to the cooperating farmers who have agreed to do their part toward adjustment of production for the benefit of all producers. These proceeds are distributed by the Government in the form of what the law itself calls benefit payments.

"These payments are not gifts or subsidies", says Administrator Davis. The consumer has paid for them in the cost of goods he buys. They are definitely a part of the farmer's price, but he receives them only if he adjusts his productive effort to the level that is best for his industry."

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WEEKLY NEWS SERIES, No. 352
(Corn Story)

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20-CENT ADVANCE OFFERED ON CORN OF SEED QUALITY

Advance options payments of 20 cents per bushel, in addition to the 55-cent loans on corn under seal can now be obtained by farmers who have seed-quality corn and will agree to hold it exclusively for seed purposes, it is announced by the Agricultural Adjustment Administration.

The option contract to be offered to owners of sealed corn provides that the owner agrees to sell the seed corn to the Agricultural Adjustment Administration at $1 per bushel on or before May 1, 1935. This option may be exercised by the Administration to acquire seed corn or, in the case of local demand, producers may obtain written authority to sell the corn to private individuals for seed use only.

In the case of local sales, the 20 cents per bushel advance is to be repaid by the producer to the Adjustment Administration. In the case of options exercised by the Adjustment Administration, producers will receive settlement for the balance of the $1 per bushel purchase price above the amount of the 55-cent loan and the 20-cent option advance, an additional payment of 25 cents per bushel.

Should the Adjustment Administration fail to exercise its option before May 1, the producer may retain the 20-cent advance but will be under obligation to repay the balance due on his corn loan before the corn can be unsealed. Corn loans must be held by the Commodity Credit Corporation to be eligible for the 20-cent advance which will also be made through this agency.

(More)

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Before corn can be accepted for the seed option, it must be inspected and approved as of seed quality by representatives of the Administration, and options will be offered only upon required quantities of corn coming up to seed standards and held under storage conditions that will preserve its quality as seed.

It is believed that the option plan will prevent dissipation of valuable seed stocks. Because such stocks can be held by farmers without storage charges they can be distributed to needy growers more cheaply in areas where they are best adapted.

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WEEKLY NEWS SERIES, No. 353
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FARMERS FAVOR CORN HOG PROGRAM FOR NEXT SEASON

Producers who voted at the corn-hog referendum meetings were in favor of a corn-hog adjustment program in 1935, it is shown by preliminary figures compiled by the Agricultural Adjustment Administration.

A new corn-hog program for 1935 will be offered producers as soon as the necessary provisions can be worked out, in view of the favorable vote which showed approximately 67 percent of all voters in favor of continuing corn-hog adjustment in 1935 and approximately 69 percent of the contract signers who voted, favoring the 1935 program.

The vote of contract signers on the question, "Do you favor an adjustment program dealing with corn and hogs in 1935?", showed 345,330 in favor and 153,181 opposed. In separate balloting, arranged at the option of the local control association officials for corn-hog producers who did not sign 1934 contracts, 10,882 of the 29,377 who voted, favored continuing adjustment in 1935.

The preliminary results of the referendum vote on the question of a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1936 were: Signers, in favor 227,789; dissenting 188,008. Nonsigners, in favor 8,442; dissenting 18,030.

The preliminary summary was compiled from reports received from 41 States, including all of the principal corn and hog growing areas. A final summary will be issued when all reports have been received.

State corn-hog committeemen and extension workers, meeting in Washington with Adjustment Administration officials, unanimously recommended a new adjustment contract for 1935 after studying the preliminary results of the referendum. Adjustment Administration officials hope to be able to announce the 1935 plan about November 1 and to have the contract ready for sign-up meetings before Christmas.

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WEEKLY NEWS SERIES, NO. 354
(Cotton Story)

COTTON CONTRACTS PROVIDE INCREASE IN 1935 ACREAGE

Cotton acreage of contract signers in 1935 can be increased by an average of at least 25 percent over the 1934 acreage under the terms of the cotton production adjustment contracts which remain in force through the 1935 season.

The contract provides that the maximum acreage reduction which can be required in 1935 is 25 percent of the base acreage, the 1928-1932 average. Acreage reduction provided in the contract for this year was 35 to 45 percent. The average reduction was nearly 40 percent.

A contract signer with a base acreage of 100 acres who planted 60 acres under his contract for the 1934 season may plant at least 75 acres next year. The 15-acre increase would amount to a 25 percent increase over the 1934 acreage.

The cotton section of the Agricultural Adjustment Administration is engaged in developing the details of the 1935 program. "We are canvassing the entire situation", says Cully A. Cobb, chief of the cotton section, "and obtaining all available information on the outlook for both domestic and foreign consumption. The details of the 1935 program will be developed in accordance with the information obtained through this thorough study and the purposes of the Agricultural Adjustment Act."

Plans are under way for giving producers an opportunity to express their opinion of the Bankhead Act for 1935 but the outcome will not affect the Adjustment Administration's obligations under the adjustment contracts. Producers who did not sign the 1934-35 contracts will be offered an opportunity to sign a contract covering the 1935 season.

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WEEKLY NEWS SERVICE, NO. 355
(Sugar Beet Story)

SUGAR BEET BENEFITS
TO BE PAID PROMPTLY

Sugar-beet growers who sign adjustment contracts will receive their benefit payments through field offices which are to be established in order to avoid delay in the distribution of checks.

The field offices are to be established as soon as contracts are signed by farmers and ready for payment, according to John E. Dalton, chief of the sugar section of the Agricultural Adjustment Administration. It is expected that this method of handling payments will materially reduce the time elapsing between forwarding of contracts and receipt of checks.

Growers in the western sugar-beet States will receive their checks through the field office to be established at Denver, Colo. An office to be established at East Lansing, Mich., will handle payments for the eastern sugar-beet States.

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WEEKLY NEWS SERIES, NO. 356
(Cotton Story)

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TRADE BARRIERS AFFECT DEMAND FOR U.S. COTTON

"Trade barriers which reduce the amount of cotton which the United States can sell to certain foreign countries are artificial factors affecting foreign cotton trade, and they operate whether or not growers in this country adjust production," says Cully A. Cobb, Chief of the Agricultural Adjustment Administration's cotton section.

The greatest barrier to foreign markets with which cotton growers in the United States are faced is their inability to exchange raw cotton for goods and services in world trade.

A trade agreement between India and Japan gives Japan the privilege of selling up to 400,000,000 yards of piece goods a year in India in return for purchasing up to 1,500,000 bales of India's cotton. This is a market which the United States could not expect to compete for without a promise to take manufactured goods in return for the privilege of selling raw cotton.

Germany has had difficulty in obtaining enough balance of foreign exchange to buy the customary supplies of cotton and for this reason has restricted imports to a degree which, if continued through the year, will mean the purchase of 500,000 fewer bales of cotton. Germany has sought trade agreements to overcome this unfavorable balance, so far without results.

Brazil and China have tariffs on raw cotton. Certain other countries have import charges on cotton. In Australia, growers may obtain a bounty on cotton. Brazil has had a plan of granting an advantage in foreign exchange to cotton for export and this plan has worked out as the equivalent of an export bounty.

If American producers should abandon their production adjustment program, trade barriers would continue to exist. Trade barriers are important factors which make it necessary for American producers to adjust production to effective demand so as to obtain a price which they can afford to take for the cotton sold on the world market.

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(Cotton Story)

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COTTON OPTION PAYMENT TOTAL REPORT ISSUED

Cotton producers in _____ (State) who accepted options on government-owned cotton as part payment for participating in the 1933 cotton adjustment program had been paid a total of $_____ up to October 1, according to a report from John B. Payne, Comptroller of the Agricultural Adjustment Administration.

This money was paid to _____ (State) producers under two methods of exercising the options. A total of $_____ was paid to those who chose the direct sale of cotton method and $_____ was paid to those who exercised their options by participating in the cotton producers' pool.

Payments to producers in all cotton States on options totaled $51,016,815.46 up to October 1.

Note to Editors: The following table contains the figures for your State on payments both by sale of cotton and by participation in the pool.

Payments made to Producers on Account of Exercise of Options by Sale of Cotton through September 30, 1934

State	Payments
Alabama	$ 637,003.28
Arizona	123,400.98
Arkansas	588,282.83
California	144,423.28
Florida	17,307.25
Georgia	1,019,607.60
Kansas	1,862.06
Kentucky	183.78

(more)

State	Payments
Louisiana	$ 264,766.21
Mississippi	676,035.80
Missouri	93,969.85
New Mexico	55,068.47
North Carolina	943,312.33
Oklahoma	2,237,279.33
South Carolina	698,297.33
Tennessee	192,141.71
Texas	4,326,140.45
Virginia	54,988.03
Total	$12,074,070.57

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Payments made to Producers on Account of Exercise of Options by Participating in Cotton Producers' Pool through September 30, 1934.

State	Payments
Alabama	$ 3,396,638.50
Arizona	187,222.88
Arkansas	4,463,772.08
California	78,992.24
Florida	62,441.00
Georgia	3,451,683.70
Kentucky	22,357.00
Louisiana	2,135,462.00
Mississippi	5,198,587.07
Missouri	468,580.32
New Mexico	228,107.32
North Carolina	1,309,564.80
Oklahoma	2,239,898.10
South Carolina	3,001,863.30
Tennessee	1,170,611.76
Texas	11,475,113.28
Virginia	51,849.54
Total	$38,942,744.89

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9182 (11-1-34)

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U.S. DEPARTMENT OF AGRICULTURE

$1.25 PER BUSHEL IS INCREASED SEED CORN OPTION PRICE

Increase to $1.25 per bushel of the optional price on seed corn to farmers who contract to hold corn of seed quality exclusively for seed purposes has been announced by the Agricultural Adjustment Administration.

It is expected that contracts will be ready within a few weeks for the optional purchase of between 500,000 and 1,000,000 bushels of seed-quality corn to be selected from corn sealed on farms under Commodity Credit Corporation loans. This plan, which is designed to prevent the unsealing and feeding of valuable seed stocks, originally called for an option price of $1 per bushel.

In States where the seed corn situation is most serious, farmers who have corn that meets the specifications for seed quality and is held under storage conditions that will preserve its quality, will be offered option contracts.

Under the contract, farmers will receive 20 cents per bushel advance, in addition to the 55-cent loan and upon exercise of option will receive an additional 50 cents per bushel which will make a total of $1.25 per bushel. In return for the 20-cent per bushel advance, producers give the Government an option until May 1. In case of local demand for seed, producers may obtain written authority to sell this corn to private individuals for seed use only.

Should the Adjustment Administration fail to exercise its option by May 1, the contracting farmer is allowed to retain the 20-cent per bushel advance. He may then repay the 55-cent loan, unseal and sell or use his corn as he wishes. Options will be offered only upon required quantities of seed corn after inspection and approval by a representative of the AAA.

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9183 (11-1-34)

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WEEKLY NEWS SERIES, No. 359
(Cotton Story)

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EFFECT OF COTTON
PRICE AND SUPPLY
SHOWN ON DEMAND

Past experience with mountainous surpluses and ruinously low prices has shown that low price alone will not create sufficient demand to absorb the unrestricted production of the cotton growers of the United States.

"What is the price? Who is going to pay it? These are two questions," says Cully A. Cobb, chief of the Agricultural Adjustment Administration's cotton section, "which every cotton farmer will naturally ask of those who say that American dominance on the world cotton market must be maintained on the basis of price."

Cotton farmers in the United States received an average of only 5.7 cents per pound for their 1931 crop but the carryover at the end of the marketing season for that crop on August 1, 1932 was 13,000,000 bales. In other words, there were 13,000,000 bales that were not consumed even at the ruinously low price of 5.7 cents per pound.

In the spring of 1933 it became evident that cotton production and carryover of that year would increase the previous record supply by more than 3,000,000 bales if the entire crop were allowed to mature. It was then that the plow-up campaign was inaugurated and followed with the 1934-35 cotton production adjustment program.

The average price to producers for the 1933 crop went up to 9.7 cents per pound and the carryover went down to 10,634,000 bales by August 1, 1934. By September 15 of this year the price of cotton had risen to 13.1 cents per pound and, based on this price, the total value of the 1934 crop, including seed,

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plus rental and benefit payments, is estimated at $876,000,000 compared to the total value of $483,910,000 for the crop produced in 1932 before the adjustment program went into effect.

"At all times since farmers started their program of production adjustment", says Mr. Cobb, "the United States has had more than enough cotton to meet world demands. That is the case now. The aim of agricultural adjustment is to achieve balance, to maintain adequate supplies and to maintain a satisfactory standard of living for those engaged in the production of agricultural commodities."

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WEEKLY NEWS SERIES, No. 360
(General Story)

NOV 1 1934
U. S. Department of Agriculture

RETAILER LIABLE FOR TAX ON FARM SLAUGHTERED HOGS

Farmers who slaughter hogs for sale to retailers or other commercial handlers will no longer be held responsible for payment of the processing tax, under a redefinition of the term "first domestic processing", which has been announced by the Agricultural Adjustment Administration.

A new regulation transfers to commercial handlers all liability for payment of the processing tax on hog products derived from hogs slaughtered by producers and feeders. Under the previous regulation, the farmerswho slaughtered hogs was responsible for payment of the tax, both when he sold to commercial handlers and when he sold to consumers. However, the status of the farmer who slaughters hogs and sells direct to consumers remains unchanged.

The producer who slaughters his own hogs and sells or exchanges directly to consumers not more than 300 pounds of the products derived during any marketing year is not required to pay the tax. If the producer sells more than 300 pounds but not more than 1,000 pounds of pork products from his own hogs direct to consumers he is liable for the tax only on the volume sold in excess of the 300-pound exemption. If he sells more than 1,000 pounds during any marketing year he loses his 300-pound exemption and is liable for the tax on all products derived from his hogs which he has sold. The amount of the tax is determined upon a live-weight basis, which is arrived at by using the conversion factors prescribed in the regulations. Farmers who slaughter and sell hogs not of their own raising are not entitled to the 300-pound exemption. Any farmer who processes hogs for consumption by his own family, employees, or household is exempt from the payment of tax thereupon.

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WEEKLY NEWS SERIES, No.361
(Cotton Story)

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PARITY INCOME
COTTON GROWERS'
ULTIMATE GOAL

"Parity income, goal of the American cotton producer, depends upon three factors: Effective production control to avoid piling up new surpluses; increased buying power of American consumers; and revival of foreign trade," says Cully A. Cobb, chief of the cotton production section of the Agricultural Adjustment Administration.

"Outstanding progress toward parity price has been made through production adjustment, although we are by no means out of the woods. Increased consumption, together with increased price, will be required to give producers parity income, which is the income represented by parity price for as many bales of cotton as were produced, on the average, in the years from 1909 to 1914," says Mr. Cobb.

The 1933 crop of lint cotton sold for $633,266,000, which was 74.2 percent of the parity income from that crop, while the 1932 crop, marketed before the Agricultural Adjustment Act went into effect, brought only $424,032,000 or 50.6 percent of the parity return. Adding rental and benefit payments and profits on cotton options to the amount received on the market from the 1933 crop brought the total return up to $800,057,000, which was 94 percent of parity.

Parity price or fair exchange value for cotton is the price at which a bale of cotton would exchange for the same amount of goods which farmers purchase as it would have exchanged for in the period from 1909 to 1914. Parity income is parity price multiplied by the average number of bales produced in the years from 1909 to 1914.

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In the 1909-14 period the average annual production was 13,033,000 bales compared to the estimated 9,445,000 bales this year. The parity price for cotton was 12.4 cents per pound in the 1909-14 period, but the prices of commodities which farmers purchase have increased until the fair exchange value or parity price for cotton is now 15.6 cents per pound. However, 15.6 cents per pound for cotton now would not necessarily insure the producer the same purchasing power which he enjoyed from 1909 to 1914. To get that purchasing power, the producer would have to have 15.6 cents per pound on the average number of bales he produced in the 1909-14 period.

The average annual value of the lint cotton produced in the 1909-14 period was $783,011,000 but, because of increases in the prices of commodities purchased by farmers, the returns from the same amount of cotton would have had to increase in order to maintain the 1909-14 balance or fair exchange value. The parity income from the 1932 crop would have amounted to $837,822,000. The actual return was only $424,032,000. The parity return for the 1933 crop would have been $853,422,000. The actual return of $800,057,000 was nearly double the return from the 1932 crop and gave the cotton crop 94 percent of its 1909-14 purchasing power.

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WEEKLY NEWS SERIES, No. 362
(Drought story)

SEED PRESERVATION FOR DROUGHT AREA SHOWING PROGRESS

An emergency program of the Agricultural Adjustment Administration, designed to preserve supplies of foundation seed stock for next year as a part of the effort to assist agriculture in drought-stricken areas, has made marked progress. The seed conservation committee consisting of members of the Adjustment Administration and other agencies of the Department of Agriculture, has purchased varieties of spring wheat, durum wheat, barley, oats, and flax that are adapted for use as seed in the drought area. Funds for the conservation of adapted seed grains to be sold to farmers in drought areas where local seed supplies are deficient, were made available through a 25-million dollar allotment from drought relief funds.

Protection of seed corn supplies has been made possible through a Government option purchase program which provides, in addition to the 55-cent Government corn loan, an additional 20 cents per bushel on corn of seed quality held under seal in proper storage conditions and a guarantee, upon exercise of option, of $1.25 a bushel. It is expected that at least one million bushels of seed corn, chiefly in Minnesota, South Dakota, Kansas, Nebraska, and Missouri will be preserved for seed purposes through this plan.

In addition to actually purchasing seed and making option payments to preserve seed, the Government stands ready to help others who must have financial assistance in order to hold seed. Farmers needing aid in financing the carrying over of seed of grain, soybeans, lespedeza, and other crops should apply to their local production loan association of the Farm Credit Administration.

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Though a large percentage of the needed seed will be drawn from the existing stocks in areas where it will be most needed, supplies of seed from States not included in the drought territory probably will be heavily drawn upon, particularly for seed of such crops as soybeans, cowpeas, forage sorghums, millets, lespedeza, and the adapted varieties of seed oats and seed corn.

"The cooperation of all agencies is needed in meeting the emergency in the drought area," says J. F. Cox, Chairman of the seed conservation committee. "The problem of furnishing adequate supplies of adapted varieties of seed can be best met by fully understanding the need for unusual care on the part of the farmer and the seedsmen in conserving seed supplies this fall. The object of the seed conservation committee is to offer the supplies conserved to counties in the drought area that will need more seed than is offered by the local farmers and seed dealers who ordinarily serve the territory."

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WEEKLY NEWS SERIES, NO. 363
(Cotton Story)

LIST ELIGIBILITY FOR BANKHEAD ACT REFERENDUM VOTE

Rights of individuals to vote in the Bankhead Act referendum which will be held in December will be determined in accordance with the provisions of the act itself, according to county agent_____, who explains the provisions of the act which govern eligibility to vote.

"An eligible voter", he says, "is any person who signed a 1934 and 1935 cotton acreage reduction contract, any person who is or was eligible for tax-exemption certificates in 1934, any person who presents proof that he owns and has a right to produce cotton on a cotton farm, or any person who signs and files a witnessed, written statement that he has made arrangements to produce cotton on a cotton farm in 1935 by entering into a lease or share-cropping agreement."

In case ownership and the right to produce cotton on a cotton farm are held jointly by two or more persons, all such persons are entitled to vote. The term "cotton farm" means any farm on which cotton has been produced commercially one or more years since 1927. Individuals who are in doubt about their eligibility to vote can obtain information from the community committee, which will have a list of eligible voters.

Individuals not listed as eligible voters may be permitted to vote, but ballots cast by such individuals will be placed in sealed envelopes bearing the name of the voter and the notation, "Challenged." Final determination of eligibility will then be made by the county committee without opening the envelopes containing challenged votes. If it is found that a challenged vote has been cast

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by an eligible voter the envelope will be opened and the vote counted; otherwise, the envelope will remain sealed but will be preserved along with all other records of the referendum.

No individual will be allowed more than one vote even though he may be eligible in more than one community or more than one county. In case several persons such as husband, wife, and children participate in the production of cotton under a single lease or share-cropping agreement, only the person or persons who signed or entered into the agreement are eligible.

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(Cotton Story)

BANKHEAD ACT CONTINUATION UP TO FARMERS

In submitting the referendum on the Bankhead Act to cotton producers, the Government will in no sense seek to impose its views upon farmers to influence their decision, according to Secretary of Agriculture Henry A. Wallace.

"It is my hope," he says, "that cotton producers will examine carefully all available facts on the cotton situation and reach a decision based on considered judgment as to whether the Bankhead Act is needed to assure the attainment of the objectives of the cotton adjustment program.

"Cotton farmers must decide whether the adjustment of cotton production under voluntary contracts is sufficient to meet the requirements of the present emergency or whether the efforts of a small minority of noncooperators, the tendency toward more intensive cultivation, and the possibility of new lands coming into cotton production combine to increase total production above the point which seems desirable.

"The responsibility of the Agricultural Adjustment Administration in submitting the referendum consists of providing cotton producers with the facts needed to guide them in reaching a decision and of providing the opportunity for voting. It is for the cotton farmer to choose whether or not we shall continue to use the mechanism afforded in the Bankhead Act as a supplementary control to the current efforts under the Agricultural Adjustment Act."

The provisions of the Bankhead Act will be continued for the crop year 1935-36 if the Secretary of Agriculture finds that two thirds of those who have the legal or equitable right to produce cotton favor its continuation, and if the President finds that the emergency in cotton production will continue to exist.

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WEEKLY NEWS SERIES, NO. 365
(Cotton Story)

PROCEDURE FOR BANKHEAD VOTE IS EXPLAINED

The _____ County committee of the Cotton Production Control Association will be in charge of the Bankhead Act referendum in this county according to county agent _____, who says that the vote on continuance of the Bankhead Act will be held throughout the South in December on a day to be announced later.
(county)

The county committee will designate voting places, arrange for public notices of the time and place for voting, designate three local producers as a community committee in charge of each voting place, and furnish each community committee with a list of individuals in the community who are eligible to vote in the referendum.

Ballot forms and forms for tabulating results of the vote will be furnished to chairmen of community committees by the county committee. Instructions for conducting the voting, tabulating the ballots, and certifying the results will also be furnished.

Results of community voting will be forwarded to the county committee who will tabulate the county results and report on certified forms to the State Allotment Board. Tabulated results of the vote by States will be forwarded to the Cotton Production Section of the Agricultural Adjustment Administration. Ballots cast in each county, together with register forms and community summaries, will be held on file under seal by the county agent, and copies of State reports will be held on file by the State Allotment Board.

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WEEKLY NEWS SERIES, No.366
(Wheat Story)

SHOW TOTAL WHEAT
PROGRAM BENEFITS

_____producers cooperating in the wheat adjustment program had received up to November 19 a total of $_____, of which $_____ was paid in the first 1933 installment, $_____in the second 1933 installment, and $_____ in the first 1934 installment.

Wheat benefit payments for the entire country totaling $49,871,589, representing approximately half the sum due in 1934 to cooperating growers have now been paid, according to the wheat section of the Agricultural Adjustment Administration. In addition, growers have already received $67,855,756 on the first 1933 installment, making total payments to growers in the wheat program to date of $117,727,345.

In addition to the benefits actually paid to date, cooperating wheat growers of the United States are to receive approximately $75,000,000 more on their 1933 and 1934 crops. This amount includes unpaid sums on payments now due and the second installment on the 1934 crop which will be payable next season.

Rapid distribution of the rest of the first installment on the 1934 crop is indicated by the fact that compliance certificates on 521,000 of the 577,000 contracts signed by growers have been received in Washington.

"It is now just a little more than a year since the first wheat checks went to farmers," says George E. Farrell, chief of the Adjustment Administration's wheat section, "and in this year, payments which have actually gone to growers averaged more than $200 per contract.

(more)

9286 (11-22-34)

Note to Editors:

The following tabulation shows, by States, wheat benefit payments to date on the first 1933 installment, the second 1933 installment, and the first 1934 installment:

STATE	FIRST INSTALLMENT YEAR, 1933	SECOND INSTALLMENT YEAR, 1933	FIRST INSTALLMENT YEAR, 1934
Arizona	$ 14,572.40	$ 1,376.91	$ 3,882.80
Arkansas	1,884.00		
California	821,284.19	160,161.13	401,032.40
Colorado	1,475,435.57	66,693.92	371,256.80
Delaware	75,606.60	15,325.05	39,131.80
Georgia	5,173.00	870.75	2,161.00
Idaho	2,338.252.68	236,636.67	701,072.79
Illinois	1,715,738.25	195,774.35	704,017.10
Indiana	1,293,938.67	216,775.67	702,478.30
Iowa	296,317.30	44,329.41	115,573.00
Kansas	16,784,490.85	4,495,205.33	11,653,369.07
Kentucky	171,938.05	10,861.21	39,110.20
Maryland	547,785.40	157,127.13	450,915.82
Michigan	569,771.11	64,134.17	239,292.68
Minnesota	1,273,391.44	79,315.03	281,669.46
Missouri	1,054,746.25	219,205.38	686,852.12
Montana	4,360,366.72	713,883.79	1,912,267.73
Nebraska	4,090,345.36	1,010,502.73	3,051,195.74
Nevada	20,372.20	2,426.75	7,728.00
New Jersey	7,790.40	827.44	3,602.40
New Mexico	343,908.11	88,530.61	220,679.75
New York	30,536.60	2,379.09	7,579.80
North Carolina	36,941.80	4,524.90	13,450.40
North Dakota	10,106,837.45	2,016,490.52	5,364,948.93
Ohio	1,181,231.41	164,514.17	548,977.60
Oklahoma	4,708,064.67	1,246.111669	3,241,704.74
Oregon	1,831,343.45	226,567.45	579,421.90
Pennsylvania	175,223.30	21,202.80	81,551.80
South Dakota	3,529,018.83	604,717.97	1,780,763.54
Tennessee	88,070.81	11,197.33	34,387.80
Texas	3,729,414.04	797,300.42	2,028,159.85
Utah	454,513.20	91,012.25	307,637.80
Virginia	371,620.13	62,023.26	211,717.21
Washington	3,990,023.92	137,536.82	665,919.00
West Virginia	52,674.80	4,570.98	10,026.60
Wisconsin	26,826.40	302.15	1,048.20
Wyoming	280,238.43	32,052.69	100,690.40
TOTALS	$67,855,756.23	$13,232,716.71	$36,638,873.03

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WEEKLY NEWS SERIES, No. 367
(Cotton Story)

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HIGH PRODUCER RETURNS AIM OF COTTON PROGRAM

"The cotton adjustment program which has been announced for 1935 seems to offer the best opportunity for the cotton farmer to receive the greatest returns for his labor and investment, and to guard against recurrence of the disastrous days of 1931 and 1932," says (Dean) (Director) _____.

The approximately 1,004,000 two-year contracts, signed in the early part of 1934, which have been made effective for 1935, provide for a reduction of 25 percent from the base acreage as compared with a reduction of about 40 percent which was accomplished in 1934. One-year contracts for 1935 will also be offered producers who did not sign 2-year contracts.

It is estimated that rental and benefit payments to be disbursed under the 1935 program will total $94,230,000. The program is self-liquidating as it will be financed by the processing tax of 4.2 cents per pound on raw cotton. Rental payments will be made at the rate of 3½ cents per pound on the average yield of lint cotton per acre for the base-period years 1928-1932 with a maximum rental of $18 per acre. Parity payments will be made at the rate of not less than 1¼ cents per pound on the farm allotment.

As a matter of greater convenience to producers in making their farm plans, individuals will be allowed to reduce acreage as much as 30 percent from the base and will be allowed benefit payments on reductions of this amount. With average yields and average abandonment a total crop of about 12 million bales is expected in 1935 as compared to the November 1 estimate of the 1934 crop of 9,637,000 bales.

Commenting on the 1935 cotton production adjustment program, Henry A. Wallace, Secretary of Agriculture, said, "It is the nearest approach to balance that can be devised under the contract and from our present knowledge of existing circumstances. It should result in a continued ample supply of American cotton that can be purchased by foreign and domestic consumers at prices which, judged by past standards, are not unreasonable. At the same time, this program seeks to avoid piling up new and disastrous surpluses."

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WEEKLY NEWS SERIES, No. 368
(Wheat Story)

U. S. Department of Agriculture

PROCESSING TAX
IS SMALL FACTOR
IN BREAD PRICE

"Only about one half cent of the average rise of two cents a pound in the price of bread in the United States since February 1933 can fairly be attributed to the processing tax on wheat," _____, State Director of Extension says. "The remainder of the increase is due to the rise in the market price of wheat and to other expenses of making bread."

The average farm price of wheat increased 56 cents a bushel from 32 cents in February 1933 to 88 cents in October 1934.

"The consumer in the city, who depends for his living upon the ability of industry to sell its products, is interested in seeing that the farmer gets fair-exchange value for his wheat so that he has buying power," Mr. _____ says. "The cost of wheat to the consumer is the same whether the price of wheat is $1.10 a bushel or is 80 cents a bushel with an additional 30 cents processing tax. The processing tax is the means used to give the cooperating farmer fair-exchange value and thus enable him to maintain his purchasing power. Benefit payments are made from processing tax receipts."

The average yearly price of bread in leading cities of the United States was 6.6 cents a pound for the crop year 1932-33, and 7.9 cents a pound for the crop year 1933-34. The price of bread in October 1934, was two cents higher than it was in February 1933.

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WEEKLY NEWS SERIES, No. 369
(General Story)

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NEW FARM RECORD
BOOKS AVAILABLE

A specially designed farm record book providing an easy form for use of farmers in assembling and keeping information on farm operations is now available to signers of _____ production adjustment contracts at
(kinds of contracts)
_____.
(places where book is locally available)

While the simplicity of the 1934 AAA farm record book has been retained, the new book, for use in 1935, includes the additional provision for records which make it possible to determine the farm income. These books are intended to serve as a basis for information required in filling out contract applications and proof of compliance forms, as well as assisting the farmer to plan his production program.

Forms for recording inventory and net worth statements which will be necessary in making credit statements are included in the record books. Also included are forms for expenses and receipts from sales of crops and livestock, production records, and a layout for making a crop map of the farm. Space is also provided for entering amounts of money borrowed, date due, and date paid.

This record book was planned jointly by the Federal and State Extension Services and the Agricultural Adjustment Administration. It is not a cost-account book and is not intended to replace the regular farm account books which are issued by the _____ Extension Service. Those who do not use the
(State)
regular _____ farm account book will find the AAA record book convenient
(State)
and valuable for recording the information necessary to production adjustment contract signers and other information important in planning the farm business.

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WEEKLY NEWS SERIES, No. 370
(Cotton Story)

COTTON PROGRAM ACCOMPANIED BY BETTER BUSINESS

Marked improvement in general business conditions which has accompanied increases in income of cotton farmers indicates the importance of the cotton production adjustment program as one of the recovery measures that have brought about a vast improvement in conditions throughout the South, according to Cully A. Cobb, Chief of the Agricultural Adjustment Administration's cotton section.

He points out the fact that farmers' cash income from marketings of cotton and cottonseed during the first nine months of 1934 was 27 percent higher than in the corresponding period of last year and 44 percent higher than the first nine months of 1932. When rental and benefit payments are added to the cash sales value, the increased income is 36 percent over the 1933 period and 80 percent over 1932. Rental and benefit payments to cotton producers cooperating in the adjustment program totaled $171,500,000 through November 1, 1934.

"While farmers have been enjoying the improvement brought about by the cotton program,"says Mr. Cobb, "there have been fewer business failures and increases in bank deposits, retail sales, construction, and life insurance sales. Bank deposits in eight cotton States in towns and cities under 15,000 population were $311,000,000 in September 1934 as compared to $243,000,000 in September 1933. Southern construction awards in the first 10 months of 1934 showed a 57 percent increase over the same period in 1933. Department store sales have shown a 78 percent increase in the Atlanta district and a 69 percent increase in the Dallas district over the low point of March 1933.

"The cotton program is accomplishing the purpose for which it was planned and doing it without putting a drain on Federal funds. It is a self-liquidating program with the rental and benefit payments made from funds derived from the tax on the processing of raw cotton."

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WEEKLY NEWS SERIES, No. 371
(Cotton Story)

COTTON FARMERS URGED TO STUDY SITUATION FACTS

Special effort to obtain information on the cotton situation as it applies to the United States and to every cotton-producing country of the World has been made by the cotton section of the Agricultural Adjustment Administration, and these facts are available to all cotton producers.

"We have endeavored to present these facts frankly and fully," says Cully A. Cobb, chief of the cotton section, and cotton producers are urged to consider these facts fully in relation to the cotton program.

"It should be remembered that there is still a surplus of American cotton and that this surplus constitutes a burdensome supply. The world carry-over of American cotton August 1 this year was 10,634,000 bales, the third largest on record. While the carry-over August 1 next year is expected to be somewhat smaller because of this year's reduction in production to 9,634,000 bales, the 1935 supply is expected to be large because production with normal growing conditions next year may be 12,000,000 bales even if the Bankhead Act remains in effect.

"The Agricultural Adjustment Administration does not favor reduction to the scarcity point nor price increases above the reach of foreign buyers but, with twice the normal carry-over there is surely no sound reason from the standpoint of producers for further increases in supplies. Current cotton prices are reasonable. In terms of gold, United States cotton is available to foreign buyers at a cost of about eight and one half cents per pound delivered in Liverpool, England.

"Falling off of cotton exports has been blamed on the cotton program by some individuals, but I should like to point out that exports of cotton have held

their position in relation to total agricultural exports much better than exports of other important agricultural commodities and certainly a reduction program which leaves us still with a burdensome supply cannot be held responsible for reducing exports. The fact is trade barriers and inability of foreign countries to finance purchases of American cotton are chiefly to blame for the drop in exports."

Facts on the cotton situation, both foreign and domestic, are available to all cotton producers through county agricultural agents, production control association committeemen, and teachers of vocational agriculture.

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WEEKLY NEWS SERIES, No. 372
(Wheat Story)

FOUR-YEAR HIGH SEEN FOR WHEAT FARMERS' INCOME

Cash income of wheat farmers of the United States from the 1934 crop will be greater than from the 1933 crop, even though drought made the 1934 crop one of the smallest on record, the Agricultural Adjustment Administration estimates.

Cash income, without adjustment payments, is estimated at $280,000,000 for the 1934 crop, and adjustment payments covering this crop which total $101,000,000, will give wheat farmers' crop a total purchasing power of approximately $381,000,000. This compares with a total income from last year's crop estimated at $365,753,000, of which $267,153,000 consisted of return from the sale of wheat and $98,600,000 of adjustment payments.

The $381,000,000 estimated to be the cash income of wheat farmers for 1934 is practically twice as much as farmers received in the depression year of 1932 when the total cash income from wheat amounted to only $194,846,000.

The increase in farm income this year is due partly to the increase in adjustment payments, but largely to the higher prices which farmers receive for the grain they sell. These higher prices have been brought about primarily by the reduction of the surplus of wheat in this country.

The estimate of cash income from the 1934 crop is based on the estimated marketings of the crop and the average of farm prices for the first four months of the marketing year, from July to October. The estimates apply only to grain which farmers have sold or will sell, as allowance has been made for the wheat which has to be kept for seed, for home use, and for livestock feeding.

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WEEKLY NEWS SERIES, No. 373
(Cotton Story)

COTTON PROGRAM
PARITY PAYMENT
RULES EXPLAINED

Provisions governing the distribution of the 1934 parity payment under cotton production adjustment contracts are explained by _____
(County Agent or State Offici
who says that word has reached him from Washington that parity payment checks are now being mailed out at the rate of 20,000 per day.

Parity payments are made at the rate of one cent per pound on the farm allotment which is 40 percent of the average production for the base period years 1928 to 1932. Forty percent of the 1928 to 1932 production represents the average portion of the crop which was consumed in the United States.

Tenants and sharecroppers producing cotton on farms covered by cotton production adjustment contracts are entitled to a portion of the parity payment. Parity payment checks are received by landlords in trust to be distributed to sharecroppers and tenants according to the provisions of the cotton contract.

When landlords receive these parity payment checks they sign an agreement which covers distribution to sharecroppers and tenants. They also agree to repo within 30 days, on another form which is provided, the distribution of the parit payment, including signatures of tenants and sharecroppers who were entitled to a share of the payment. Instructions on procedure are included in the forms whi are provided at the time of delivery of the parity payment check.

Parity payments to be made this year to producers cooperating in the cotton production adjustment program are expected to total more than 26 million dollars.

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WEEKLY NEWS SERIES, No. 374
(Cotton Story)

ESTIMATE COTTON
ACRE RENTAL AND
PAYMENTS IN 1935

_____ producers cooperating in the 1935 cotton production
(State)
adjustment program will rent _____ cotton acres to the Secretary of Agriculture under the 1935 provisions of the cotton contract, it is estimated by the Agricultural Adjustment Administration.

Estimated rental and parity payments to _____ cotton producers
(State)
under the 1935 program total $_____, of which it is estimated that rental payments will amount to $_____ and parity payments $_____. Contract signers will be paid for their rented acres at the rate of $3\frac{1}{2}$ cents per pound on the average yield of lint cotton per acre for the years 1928-32 with a maximum rental of $18 per acre. They will also receive parity payments of $1\frac{1}{4}$ cents per pound on the farm allotment, which is equivalent to 40 percent of the farmers' average production for the base period of the farm and represents that percentage of production which ordinarily moves into domestic consumption.

In addition to the 1,004,000 contracts covering approximately 38,210,000 acres, now in effect, new 1-year contracts will be offered producers who did not sign the 2-year contracts. It is estimated that the offer of new contracts will increase the base acreage by at least one million acres, bringing the total base acreage of all contract signers up to 39,210,000 acres. An acreage reduction of approximately 40 percent was accomplished in 1934.

While the maximum reduction that may be asked for 1935 under the contract is 25 percent, contract signers will have the option of reducing their base acreage as much as 30 percent and will receive payments accordingly. The optional reduction of an additional 5 percent is to permit more latitude in

arrangement of the farm plans of individual producers.

If a total of approximately 5 million acres is planted by non-contract signers, the total planted cotton acreage in 1935 is expected to be approximately 34,400,000 acres. The planted acreage in 1934 was 28 million acres.

Note to Editors:

The following table shows approximately the payments to be made, and the acres withheld from production, assuming a 25 percent reduction, in each of the cotton-producing States:

State	Estimated base acreage of contracting producers	Estimated acres to be rented	Payment to producers		
			Rental payments	Parity payments	Total payments
	1000 acres	1000 acres	Dollars	Dollars	Dollars
Mo.	388	97	$ 989,400	$ 566,480	$ 1,555,880
Va.	63	16	154,560	86,940	241,500
N.C.	1,345	336	2,923,200	1,681,250	4,604,450
S.C.	1,929	482	3,610,180	2,064,030	5,674,210
Ga.	3,188	797	5,100,800	2,932,960	8,033,760
Fla.	114	28	142,800	83,220	226,020
Tenn.	1,039	260	1,950,000	1,111.730	3,061.730
Ala.	3,364	841	5,264,660	3,010,780	8,275,440
Miss.	3,988	997	6,580,200	3,768,660	10,348,860
Ark.	3,466	867	5,808,900	3,344,690	9,153,590
La.	1,925	481	3,222,700	1,848,000	5,070,700
Okla.	3,384	846	4,314,600	2,504,160	6,818,760
Texas	14,547	3,637	18,185,000	10,473,840	28,658,840
N.Mex.	121	30	378,000	217,800	595,800
Ariz.	161	40	488,000	280,140	768,140
Calif.	165	41	688,800	396,825	1,085,625
Others	23	6	36,600	20,125	56,725
U.S.	39,210	9,802	$59,838,400	$34,391,630	$94,230,030

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WEEKLY NEWS SERIES, No. 375
(Sugar Beet Story)

BEET GROWERS SHOULD SECURE WAGE RECEIPTS

Wherever possible, sugar-beet growers who plan to sign adjustment contracts should secure signed receipts from their laborers covering the production of the 1934 crop, _____, in charge of the
(Name of one in charge of beet program)
sugar-beet program in _____ says.
(Name of State)

Producers are urged to get these receipts now, if possible, in order that they may have all necessary evidence next spring when filing a certificate to the effect that they have paid all bona fide wage claims for the 1934 crop, as required in the contract.

Each producer who signs a contract agrees to pay these claims before receiving his second 1934 adjustment payment, and the presentation of receipts will avoid disputes, Mr. _____ says.

If possible, the receipt should indicate the amounts paid for the different operations such as bunching and thinning, hoeing, pulling, topping, or any other operations.

Securing of the receipts is advised as a means of avoiding disputes and complaints, but if there are labor complaints, it is anticipated that steps will be taken to investigate them, Mr. _____ says.

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WEEKLY NEWS SERIES, No. 376
(Corn-hog Story)

U. S. Department of Agriculture

1935 CORN-HOG CONTRACT FORMS ARE SIMPLIFIED

Simplified forms and simplified procedure, for the 1935 corn-hog program, developed through experience with details of corn-hog adjustment during the past year, are expected to permit more rapid handling of contracts and payments during the coming year.

In 1935, the cooperating producer will sign the contract only once instead of twice as was the case in 1934 when the first signature, before production data had been checked and adjusted, really constituted only an application for entering into a contract.

An official application form giving the producer's name, address, and farming location will be provided under the 1935 program. On this form the producer will report any changes from his 1934 status, and will state whether he signed a contract in 1934, whether the land to be covered by contract is exactly the same as covered by contract in 1934, and whether he wishes to include a hog base which was not established under the 1934 contract.

This procedure will enable community committeemen to speed handling of contracts by classifying applicants according to the work that will be required in determining 1935 allotments. General procedure, for producers whose status or location has not changed since 1934, will consist in transferring adjusted figures from the old contract to the new contract and submitting it to the producer for signature.

In the case of 1934 signers who have moved to new farms or otherwise altered their farming units, or where changes have occurred which necessitate

a redetermination of the corn or hog base, the applicant will also fill out a work sheet, giving full details of these changes. On the basis of this complete information, committeemen may then compute the 1935 corn and hog allotments and adjustment payments.

Complete information on the details of the 1935 program will be available to all corn and hog producers at the community meetings to be held in January or early February. Each farmer applying for a contract will receive copies of all forms to be used and a booklet which contains rulings relative to the program.

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WEEKLY NEWS SERIES, No. 377
(Corn-hog Story)

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LESS LIVESTOCK NEXT YEAR MEANS LOWER CORN NEEDS

The normal likelihood of overproduction of corn after a year of drought and decreased feed supplies, will be increased next year because large reductions in livestock numbers have reduced requirements for corn.

Corn requirements for 1935 will be materially below the level of those in the past several years as a result of an adjustment of more than 30 percent in hog numbers and a reduction of from 10 to 15 percent in cattle numbers since a year ago.

These changes in livestock demand would account for the equivalent of at least 15 million acres of corn, or from 350 to 400 million bushels. Past experience has shown that farmers, planning individually, are unable to make accurate allowance for reductions in requirements. Without a control program, another burdensome surplus of corn would be expected next year.

The 1935 corn-hog program, endorsed by a majority of the producers who voted in the October referendum, offers farmers an opportunity for cooperative planning to hold their production in line with effective demand and for sharing the resulting benefits through the provision for optional corn acreage reductions of 10 to 30 percent below the base acreage with benefit payment of 35 cents per bushel.

It is recognized that a moderate surplus of corn over actual requirements will be desirable in 1935 in order to rebuild reserves now being used on account of the drought shortage. The 1935 program is designed to provide the rebuilding of this moderate surplus but, because of the adjustments in livestock numbers, the necessary crop can be produced on an acreage smaller than the 1932-33 average acreage, which is the base acreage for both the 1934 and 1935 programs.

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WEEKLY NEWS SERIES, No. 378
(Sugar Beet Story)

FIRST CHECKS ARE GOING TO BEET FARMERS

Benefit payments to sugar beet producers cooperating in the sugar beet adjustment program of the Agricultural Adjustment Administration are now going to growers whose contracts have been audited and approved in Washington, _____ (Name of one in charge of program), in charge of the program in _____ (Name of State), says.

The first benefit payments under the sugar program were mailed from Washington the day after Christmas and went to producers in the vicinity of Ogden, Utah. The checks for sugar beet farmers are being written as soon as contracts are approved. The first 100 checks totaled $8,972.

Payments which cooperating producers are now receiving are on the first installment of the 1934 benefit payment. This first installment is at the rate of $1 a ton on the estimated production of the acreage which the cooperating farmers planted for 1934. The second installment, which is to be paid next summer, is to be the amount necessary to give producers, as a whole, a parity return on their crop.

Field reports on the sign-up in States where the campaign is actively under way show that a large majority of producers are signing adjustment contracts.

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WEEKLY NEWS SERIES, No. 379
(Corn-hog Story)

NEED CONTINUED HOG PRODUCTION CONTROL IN 1935

Necessity for continuing control over hog production to enable producers to hold the gains they have made through their production adjustment program, is shown by the existing and probable future demand conditions.

Hog production control in 1935 is held necessary to prevent undue increases on farms where feed for expansion will be available, and to insure against excessive farrowing in all areas in the fall of 1935.

A change in the percentage of hog adjustment in 1935 was necessary to help offset additional reductions in hog numbers made this year on account of drought, but a material reexpansion in hog production is not yet warranted by existing demand conditions.

Foreign demand continues at a low level. Exports of pork from the United States showed a slight increase in 1934 but lard exports declined. Annual shipments abroad remain at about three fourths of a billion pounds as compared with nearly two billion pounds in the early post-war period.

In the domestic market, there is no immediate prospect of an increase in effective demand sufficient to warrant large increases in hog numbers or corn acreage. Reemployment and increases in incomes of consumers will improve capacity of consumers to pay more for pork products, but material increases in the actual requirements of these products is not expected. The domestic per capita consumption of pork and lard has continued at a high level since before the depression.

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WEEKLY NEWS SERIES, No. 380
(Corn-hog Story)

SHOW ELIGIBILITY TO SIGN THE 1935 CORN-HOG CONTRACT

All eligible producers of corn and hogs will have opportunity to sign the 1935 corn-hog contract, whether they took part in the 1934 corn-hog production adjustment program or not, according to _____.
(county agent or State official)

Those eligible to sign the 1935 contract include persons owning and operating their own farms, and tenants operating farms on a cash rent or a fixed share agreement. In the case of farms rented on a crop or stock share lease or agreement, the contract is signed by both the tenant and the landlord.

The eligibility in all cases will be determined by the county allotment committee in accordance with instructions issued by the Agricultural Adjustment Administration and subject to the approval of the Secretary of Agriculture. The allotment committee will determine whether the applicant for a 1935 contract is a bona fide producer and qualified to sign and to receive adjustment payments.

The base period for the 1935 contract will be the same as for the 1934 contract, the two years 1932 and 1933. The contract will require hog adjustments to 10 percent below the base-period production, with benefit payments of $15 per head on the number represented by the 10 percent adjustment. Not more than 10 percent reduction in corn acreage below the 1932-33 base will be required in the 1935 contract but optional adjustments of as much as 30 percent will be allowed and on these adjustments benefit payments of 35 cents per bushel will be paid.

The corn yield to be used in figuring benefit payments is the adjusted estimated yield for all land in the farm which has been planted to corn at least once in the last five years.

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